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U.S. Eases Curbs On S. Africa Trade

Sales of Nonmilitary Goods to Police And Armed Forces Is Seen Possible

By William Chapman
and John M. Goshko
Washington Post Service

WASHINGTON — The Reagan administration has relaxed restrictions on trade with South Africa, and congressional and State Department sources said this could open the door for sales by U.S. companies of nonmilitary goods to that country's military and police forces.

In another trade-related move that has a background of controversy, the administration also acted to remove Iraq from the list of countries formally regarded as supporters of international terrorism, and it moved to add Cuba.

On Saturday, the State Department defended the decision Friday to relax trade restrictions with South Africa, while a leading Senate liberal condemned the move as the foreign policy equivalent of tax exemptions to segregated private schools.

Sen. Edward M. Kennedy, Democrat of Massachusetts, said that the action was supportive of South Africa's apartheid policy and the "equivalent in our foreign policy of the administration's blatant recent attempt to give tax exemptions for segregation in the United States."

The reference was to the administration's decision last month to reverse Internal Revenue Service policy of refusing tax exemptions to private schools that discriminate on the basis of race. The reversal touched off a political furor, and the administration hastily agreed to push for legislation to close off exemptions for such schools.

The State Department said that the new trade rules were intended to be "less arbitrary from the perspective of U.S. exporters" while still maintaining a "strong symbolic and practical dissociation" from the policy of apartheid, or racial separation.

It added that the new rules, which reverse a four-year-old Carter administration policy blocking sales of even nonmilitary goods to the South African government, are "at least as extensive" as trade controls maintained by other major Western nations.

The United States forbids the sale of military equipment to South Africa as part of a UN embargo.

The new regulations do not permit the sale of arms or military equipment, but congressional critics said the changes would permit the sale of nonmilitary equipment that could be converted to military use, citing as an example the sale of large transport planes to civilian airlines.

The State Department said that such sales would be permitted only on condition that the aircraft not be used for police, military or paramilitary purposes, but written assurances of this, "which constituted a paperwork burden both on exporters and on the U.S. government," would no longer be required.

The new regulations are to take effect at midnight Sunday, but Congress or the administration may alter them before they become final 30 days later. The 1979 Export Administration Act requires that Congress be notified when sales of equipment with potential military use are proposed for countries on the list — a requirement that in the past has resulted in congressional moves to block some sales of this type.

The policy shifts on South Africa and Iraq emerged in a set of revised export-control regulations issued by the Commerce Department with the concurrence of the State Department.

In the case of sales to South Africa, personal computers, calculators, and other electronic equipment are included.

(Continued on Page 2, Col. 2)

CLIA Says Qadhafi Was Target Of Assassin

By Bob Woodward
Washington Post Service

WASHINGTON — The CIA has concluded that an assassination attempt was directed against Col. Moammar Qadhafi two months ago and that, although the Libyan leader was not seriously injured, he probably was nicked by a bullet in the jaw, according to informed officials.

News reports of the assassination attempt initially were dismissed last month, and the U.S. media gave them little or no attention. But a senior government official said last week that the CIA now has sufficient evidence to confirm the reports.

The official said that the plot was carried out by some members of Col. Qadhafi's army, probably by one or more officers who had just returned from the Libyan invasion of Chad. He said that the plot had received no external support from any foreign country, including the United States.

The attempt was understood to have been made during the last two weeks of December, shortly after the first major reports surfaced in the United States about "hit squads" allegedly sent by Libya to assassinate President Reagan and other high-ranking U.S. officials.

On Dec. 6, Col. Qadhafi denied in a U.S. television interview that any such squads or individuals had been sent. "We are sure we haven't sent any people to kill Reagan or any other people in the world," he said.

A well-placed source has said that one U.S. intelligence agency has had information for several months that the Israeli intelligence service would like to have Col. Qadhafi assassinated.

Asked this week if the Israelis would assassinate the Libyan leader, the source said: "That's not our business."

(Continued on Page 2, Col. 7)



A group of passengers, lower right, leaves a hijacked Tanzanian jet at Stansted Airport in England.

Anti-Nyerere Gunmen Hijack Jet In Tanzania, Give Up in England

From Agency Dispatches

STANSTED, England — Four hijackers who commandeered a Tanzanian jetliner with a revolver and several fake weapons freed the last of 80 hostages and surrendered to police Sunday, ending a three-day odyssey from Africa.

"All the people who were on the aircraft are off safe and well," said Essex County Chief Constable Robert Bunyard.

The hijackers had demanded the overthrow of Tanzania's Socialist president, Julius K. Nyerere.

Mr. Bunyard said the breakthrough in the 30-hour drama came Sunday when the hijackers, all in their early 20s, were allowed to speak with an exiled Tanzanian politician, Oscar Kambona, one of Mr. Nyerere's opponents.

Mr. Kambona is a former foreign minister of Tanzania and was once regarded as heir apparent to Mr. Nyerere before he clashed with the president and fled to London in 1967.

The hijackers left the plane peacefully and were arrested after a final group of more than 20 hostages and relatives of the hijackers left the plane just before dusk, Mr. Bunyard said.

The four were originally reported to have been armed with sub-machine guns, grenades and pistols, but most of the weapons turned out to be fakes. Mr. Bunyard said the hijackers had a revolver with six bullets, two wooden pistols, two wooden grenades and a package marked "explosives."

"We don't know what is in the parcel yet," he said. Stansted Airport sources said that explosives were found wired to the aircraft doors and in a toilet.

The Boeing 737 was seized Friday on a Tanzanian domestic flight and was forced down Saturday at Stansted, north of London, after stops in Nairobi, Jeddah and Athens.

The only casualty of the hijacking was a co-pilot, who was believed to have been stabbed or shot. But police said he was not hurt badly and was treated by a doctor when the plane stopped in Athens on Saturday.

The hijackers negotiated with British police through the night Saturday, and at noon Sunday freed seven passengers — the first of four groups released Sunday. There were reports that the gunmen had released eight passengers before they reached England.

"They came here to make some sort of statement about their own country," Mr. Bunyard said. "We had no intention of making any concessions that would encourage people to hijack airplanes."

However, Mr. Kambona made clear to the hijackers that he disapproved of their action, Mr. Bunyard said.

Warsaw Permits Bishops' Appeal For Union Role

By Brian Mooney
Reuters

WARSAW — Poland's Roman Catholic bishops were allowed Sunday to broadcast their demands for a political role for independent union leaders, as Premier Wojciech Jaruzelski prepared to visit Moscow.

Informed sources said that Gen. Jaruzelski would go to the Soviet Union Monday for his first meeting with Kremlin leaders since martial law was imposed in Poland Dec. 13.

The bishops' call for the suspended Solidarity trade union to join political talks was heard on the state radio. But their plea for an end to martial law and an amnesty for detained union supporters was cut out of the broadcast version of their pastoral message.

The challenge from the bishops coincided with a slight relaxation of restrictions by Interior Minister Czeslaw Kiszczak, who warned that they would be re-imposed if there was unrest.

The relaxation of martial law restrictions by Gen. Kiszczak did not affect internment, censorship, the ban on strikes or summary justice.

He said that Poles would be able to travel freely to East Bloc countries again beginning Monday, but he did not mention their visiting the West. Westerners will be allowed to enter Poland but not by car.

Other changes affected internal travel regulations and the possible easing of telephone and telex restrictions.

"Still Some Problems"

Gen. Kiszczak said that restrictions would be re-imposed if there was further unrest. "We will not be lenient to those who destroy social order and especially to those who use terrorism which is alien to our country and mentality," he added.

The minister said that martial law had successfully curbed confrontation but "there are still some problems like trends towards anarchy and attempts at causing social unrest."

The full text of the message from the bishops, one of the toughest from the church during the crisis, was read from pulpits across the nation.

The bishops' desire for Solidarity to be included in talks on Poland's future was publicized in advance and coupled with a warning that the alternative was catastrophe. They appealed for "a social covenant for the good of the entire nation" and added: "The temporarily suspended trade unions cannot be left out."

The message emphasized the (Continued on Page 2, Col. 8)



El Salvadoran soldiers check a tractor-trailer rig set afire by guerrillas to block the Pan-American Highway. The guerrillas frequently ambush army patrols sent to investigate such incidents.

Salvador Rightist Shot On Campaign Swing

By Dial Torgerson
Los Angeles Times Service

SAN SALVADOR — A gunman wounded Roberto D'Aubuisson, the leader of an extreme rightist party, as he started an election campaign swing here.

Mr. D'Aubuisson, 38, a former army major and leader of the Nationalist Republican Alliance, was slightly injured Saturday when he was hit in the back by a bullet as he stepped from a motor-plated vehicle during a stop at a service station near Ilopango airport seven miles east of the capital. He was treated at a hospital and released.

In another development, local agencies said a U.S. State Department report on political violence had failed to point out that much of the violence was committed by rightists in and out of the government. One report said leftist violence accounted for only 1 percent of the deaths here, while another said the left was responsible for about 40 percent.

Nicked From Behind

Mr. D'Aubuisson's party is the most extremist of six parties seeking to defeat the ruling Christian Democratic government in an election March 28. He was nicked by a bullet on the back of his right shoulder, according to doctors who treated him at a clinic in the capital.

Mr. D'Aubuisson's campaign manager, Mario Redaelli, said he thought the attack was the work of the Christian Democrats, whose leader, Jose Maria Duarte, heads the civilian-military junta now ruling El Salvador.

Mr. Redaelli said he believed leftist rebels would have made a stronger attack.

He said Mr. D'Aubuisson apparently was shot by someone who had stalked him from Ilopango airport. Mr. D'Aubuisson had left the airport in a three-car convoy. Like most prominent politicians here he usually travels in a U.S.-made utility vehicle protected by armor and bulletproof glass.

According to public opinion surveys, Mr. D'Aubuisson's party could get more than 20 percent of the vote at the March election to pick members of a constituent assembly.

On Friday, attackers fired sub-machine guns and threw a grenade at a group of Mr. D'Aubuisson supporters in front of the party headquarters in San Salvador. Five people were wounded, Mr. Redaelli said. The Christian Democrats were responsible for that attack.

Meanwhile, two unofficial agencies here have taken issue with a State Department report on the status of human rights in El Salvador, complaining that it failed to say that much of the political violence should be blamed on the government and its rightist supporters.

The State Department report on El Salvador said, "Extreme leftist terrorists and guerrillas, right-wing death squads and some members of the government's internal security forces all had a hand in the violence."

A spokesman for Socorro Juridico, a legal aid office affiliated with the Roman Catholic Church, said (Continued on Page 2, Col. 6)



Roberto D'Aubuisson

Mitterrand's Israel Trip Will Open Search for New Mideast Approach

By Joseph Fitchett
International Herald Tribune

PARIS — French President Francois Mitterrand, whose Socialist government last year scuttled the European Economic Community's diplomatic initiative on the Arab-Israeli conflict, is starting a search for a new approach to the Middle East that could involve a revived French — and European — role.

A crucial step will be Mr. Mitterrand's two-day visit to Israel beginning Wednesday — the first by a serving head of state from France.

In a major change of French policy, Mr. Mitterrand's trip is intended to demonstrate his support for Israel and to give France a more even-handed approach, redressing what he sees as a pro-Arab tilt in French policy under his predecessors since De Gaulle.

The difficulty of keeping open lines to both Israel and the Arabs is demonstrated by the controversy in the visit has aroused tensions in his own government.

Sentimentally, Mr. Mitterrand has close ties to Israel — it was one of the few Middle Eastern countries he visited during his long political career before becoming president.

On the other hand, Mr. Mitterrand, responding to views in his own party, has criticized Mr. Begin's decision to annex the Golan Heights — a step that at the time caused Mr. Mitterrand to postpone his Israel trip.

France's significant economic and political interests in Arab countries are also strongly defended by the French Ministry of External Relations, which is comfortable with the Arab policy adopted after the 1967 Middle East war. France depends on the Gulf for imported oil and for industrial and arms contracts to maintain both jobs and the franc.

Politically, France seeks to play a peace-making role in the Middle East. Mr. Mitterrand adds, to prevent the area from being polarized between the superpowers.

France hoped that the peace plan of Saudi Arabia's Crown Prince Fahd would provide a united Arab negotiating position incorporating a conditional recognition of Israel, which would open the way to wider negotiations after the Camp David accord.

Diplomats say the Europeans, led by France, intended to use the Fahd plan as a step toward obtaining PLO recognition of Israel. In return, the United States would try to persuade Israel to focus on new peace agreements, instead of territorial annexation of the Golan Heights or the West Bank, as a basis for Israel's security.

Retorted Israeli Prime Minister Menachem Begin, "France should mind its own business."

The PLO also is criticizing Mr. Mitterrand for visiting Israel, and French commercial interests in the Gulf reportedly are suffering because of an Arab wait-and-see attitude.

Mr. Mitterrand's intention of treating the Middle Eastern states similarly has aroused tensions in his own government.

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40-Million-Year-Old Preserved Fly Found

By Harold M. Schmeck Jr.
New York Times Service

NEW YORK — A mummified insect has been found with much of its soft tissues apparently intact after 40 million years, scientists at the University of California at Berkeley have reported. The specimen is so well preserved that elements within cells appear to be visible, they said.

The find is by far the oldest to show structures within cells and the oldest in which much of the chemical makeup of the tissues may have been preserved, the scientists said.

Usually, mummified tissues are only a few thousand years old. "And even some in the thousands have not been preserved as well," said Dr. George O. Poinar Jr., an insect pathologist and the principal scientist in the study.

In specimens many millions of years old, only bones and hard tissues are ordinarily preserved. Normally, virtually all the original tissues have been infiltrated and replaced by minerals, retaining details of external shape but not the original chemistry or internal structure.

The preservation appears to be so good, Dr. Poinar said, that a colleague hopes to extract some of the genetic material — DNA — from its cells in an attempt to grow it for study purposes. If that proved possible, scientists would be able, for the first time, to observe directly how much change has taken place over 40 million years by comparing the genetic material of the ancient specimen with that of similar flies alive today.

The insect, a female fungus gnat, is imbedded in transparent Baltic amber, according to a report in the current issue of the journal *Science*. It was brought to the Berkeley team from Poland. Baltic amber, fossilized resin from coniferous trees, was formed 40 million years ago or even earlier, scientists estimate, after the great age of the dinosaurs and early in the evolution of mammals.

Mummified tissues that still retain their original chemical makeup are usually several thousand years old at most. The best-known examples are Egyptian mummies and some frozen remains of mammoths found in such places as Siberia. Ages of the mammoths may be more than 10,000 years.

In the case of the insect studied at Berkeley, the soft tissues were evidently dehydrated and preserved when the gnat got stuck in the resin that later became amber.

"In essence, what we are describing," the report said, "is an extreme case of mummification, involving the preservation of insect tissue by drying and natural embalming."

The insect's tissues were so well preserved that cell nuclei and other, even smaller, intracellular structures were visible under electron microscopic examination, according to the report.

Pictures accompanying the report showed black specks identified as the chromatin that is characteristic of cell nuclei; muscle fibrils; arrays of membranes; mitochondria and fat deposits; as well as other intracellular structures. Mitochondria are the minute energy-supplying structures within living cells.

INSIDE

U.S.-China Ties

In a mark of its unhappiness over continued U.S. arms sales to Taiwan, China virtually ignored the 10th anniversary of the Shanghai communiqué, which began the reconciliation between Peking and Washington and laid the foundation for the establishment of diplomatic relations three years ago. Page 3.

Jesuit Order

In Rome, after sternly calling the Society of Jesus to strict obedience to his authority, Pope John Paul II nonetheless took the first step to end his direct rule over the embattled Jesuit order. Page 5.

Botha Retains Hold On S. African Party; Ousts Rightist Rival

By Joseph Lelyveld
New York Times Service

PRETORIA — Prime Minister Pieter W. Botha overcame a challenge to his leadership of the governing National Party by its extreme right-wing during the weekend and effectively ousted his chief rival from the party hierarchy.

The rival, Andries P. Treurnicht, entered a hall belonging to a wing of the Dutch Reformed Church here Saturday morning as leader of the National Party in the country's wealthiest and most populous province, the Transvaal. When he emerged six hours later, he had been stripped of his membership in the party's executive committee and politically humiliated on a motion of confidence that affirmed Mr. Botha's right to interpret party policy on key racial issues.

The vote on the motion was lopsided, 172 to 36, and it meant that the party machinery in the crucial province had been wrested from Mr. Treurnicht's control.

The prime minister has given dissenting party members until Wednesday to reverse their stand on the confidence motion taken here Saturday and in the parliamentary caucus earlier in the week. If they fail to do so, they will be expelled from the party.

Neither Mr. Botha nor Mr. Treurnicht would comment Sunday on the implications of Saturday's vote. Reuters reported, but other opponents of Mr. Botha's policies stressed that they intended to leave the party.

One rebel member of Parliament who was at Saturday's meeting, Daan van der Merwe, said: "For me the break is final. Only the formalities remain. I represent white South Africa, my folk [people] and Christian nationalism."

Other forecasts that up to 17 Nationalist members of Parliament could quit the party after Wednesday, Reuters said.

Principle Debated
There appeared to be no chance of Mr. Treurnicht's surrendering to the issue that sparked Saturday's confrontation — a semantic debate over the question of whether power sharing with Indians and people of mixed race, called coloreds, was consistent

with the principle of "white self-determination."

The debate never touched on the question of political rights for South African blacks, who account for slightly more than 70 percent of the 28 million people in the country.

Despite Mr. Botha's victory Saturday, the split last week was the most severe that the governing party has experienced since it came to power in 1948. It could still have far-reaching implications for the ability of Afrikaners, who account for 60 percent of the white population, to maintain the dominance they have enjoyed since then. But this cannot really be tested until the next election, which need not be called for four years.

Mr. Treurnicht will probably have fewer than 20 supporters in the all-white Parliament when he crosses the floor after his expected expulsion from the governing party. This would not be enough to make him the official leader of the opposition, a post that now belongs to Frederik van Zyl Slabbert of the relatively liberal Progressive Federal Party, which has 27 seats.

But for the first time, the governing party will have to face an open challenge in Parliament from the extreme right.

Mr. Botha might be tempted to call an early election in an attempt to deprive Mr. Treurnicht of his parliamentary platform and an opportunity to form an effective working alliance with splinter groups such as the Herstigte Nasionale Party. But an election would be a gamble for the governing party, because grass-roots backing for the inflexible stand Mr. Treurnicht has taken in support of strict apartheid doctrine is believed to be much stronger than the vote here Saturday indicated.

Curbs Eased On S. Africa
(Continued from Page 1)

tors and personal communication equipment are on the list of items no longer embargoed. Chemicals and industrial equipment could also be sold if they are of no national security concern, according to the regulations.

A State Department official, who declined to be identified, said Friday night that the department would make a case-by-case review of all sales and would prohibit any sale that could be used to enforce apartheid.

Critics of the move asserted that it symbolized an administration plan to move closer to the South African government at the risk of further alienating black Africans.

There was no practical significance to adding Cuba to the terrorism list, since the United States has a ban on trade with that country. However, the dropping of Iraq is expected to draw considerable protest from members of Congress who regard the Baghdad government as an active abettor of terrorism as well as an enemy of Israel.

Congressional sources said they had been told that business interests had put pressure on the administration to permit sales of equipment such as the L-100, the civilian version of the C-130 cargo plane, to the Iraqis.

Pope Reportedly Met With SWAPO Leader
VATICAN CITY — Pope John Paul II received Sam Nujoma, leader of the South-West African Peoples Organization, and Oliver Tambo, president of the banned African National Congress in South Africa, in a private audience at the Vatican during the weekend, the Italian news agency ANSA reported.

The Vatican did not announce the meeting in its daily bulletin of papal audiences and a Vatican spokesman refused to confirm or deny that the meeting had taken place. But ANSA said the papal audience Saturday was revealed on the second day of the Rome conference of "Solidarity with the People of Southern Africa," organized by representatives of Italy's five coalition parties.



Protest marchers in the center of Amsterdam Sunday carried a banner saying "El Salvador not a second Vietnam."

In Salvador, No Middle Ground for Refugees Victimized by Both Left and Right, Homeless Have 'Nothing to Go Back to'

By Joanne Omang
Washington Post Service

SAN ESTEBAN CATALINA, El Salvador — Antonio Martinez is 38 but looks 50, and sits slumped against the corrugated cardboard wall of the refugee center he now calls home. The guerrillas came well before dawn, he says, shot three of his sons and ordered him to leave town with nothing but what he wore.

On that night in October, 1980, nearly 50 families fled from the small collection of houses in the hills 6 miles (9 1/2 kilometers) north of this rural town, stumbling down a dry riverbed in the darkness to get here. And here most of them remain, either afraid to return or, like Mr. Martinez, empty of hope.

"They took the chickens, the goat, the ducks, everything. There's nothing left to go back to," he said.

In three church-run centers near the provincial capital of San Vicente are about 1,500 refugees, many of whom say that guerrilla terrorism has ruined their lives. With the earnest, weathered faces of the rural poor, they are just as believable as the thousands of refugees in other camps who say they fled from Salvadoran armed forces or from rightist terrorists.

A Woman's Story
In San Vicente, Concepción Amaya de Carrillo waited in line patiently for powdered milk and beans at the food-supply center run by Caritas, the local charity arm of the Roman Catholic Church. She said she had lived as the wife of a tenant farmer in the village of El Rodeo near San Isidro, 15 miles northeast of San Vicente, until one night last October.

"The guerrillas terrorists banged on my door at 3 a.m.," she recalled. "They said we could either join them or get out, or we would die in 24 hours." She and her husband and three children fled with what they could carry. How did she know the intruders were guerrillas? "We knew. They had big guns. They did not wear masks, and their accent was pure San Isidro," she said.

Leftists here argue that such incidents are often the work of military men disguised as guerrillas. "The final victory depends on the

good will of the people. Why should 'the guerrillas' alienate them that way?" asked a leftist.

The government says many murders blamed on rightist or military terrorists are actually committed by guerrillas settling internal disputes. Both sides agree that common criminals take advantage of the general violence to commit other crimes, and both sides say that they shoot spies and persons collaborating with the opposition.

The charges from either side are often impossible to verify. The army often works with members of the militia who carry rifles while dressed as civilians, and the guerrillas often wear stolen military uniforms.

Attack in Yamabal
In the town of Yamabal, near San Miguel in eastern El Salvador, three men dressed as regular army soldiers arrived Feb. 22 saying they were the first of a company coming to protect the village and wanted to review the Civil Guard. When the men were lined up, the three opened fire, killing 11 men and wounding five. The killers escaped, and newspapers reported that scores of people fled Yamabal for San Miguel.

The civil war here seems always to burst forth that way, sporadically and unpredictably. Every guerrilla push and every military operation seem to create more refugees.

Estimates of the displaced now range upward from 500,000, or 10 percent of the population, with two-thirds of them out of the country.

In this part of El Salvador, a 90-minute bus ride northeast of the capital, the army has just completed a four-day sweep against suspected guerrilla camps. "Some of the refugees from that action are now coming in," said David de Jesus Bonilla, the director for 15 years of San Vicente's branch of Caritas.

Mr. Bonilla showed with little pride the eight open-ended sheds the church has put up to house more than 700 refugees. The sheds have walls of latticed bamboo that have been covered with clay by the refugees, and two families dwell in a dirt-floored room.

Embargo Could Hurt Libya, Analyst Says
By Douglas Martin
New York Times Service

NEW YORK — The Reagan administration's moves toward blocking oil sales by Libya to the United States could have a sharply adverse effect on a nation whose financial position has been hurt by sluggish oil sales caused by the worldwide oversupply, an energy analyst says.

"Although it's still a terribly wealthy country, Libya is worrying about its revenues," said Henry M. Schuler, an independent energy analyst who has worked in Tripoli, the Libyan capital, for the State Department and for American oil companies.

The White House said Friday that no decision had been made on placing an embargo on oil from Libya. But diplomatic and industry sources suggested that a formal decision was being delayed only to give policy-makers an opportunity

to consult with Congress, allied governments and oil companies.

Some company officials said they expected a final decision might be announced as early as Tuesday.

The administration also reportedly is planning to ban the sale of sophisticated oil field technology to the Libyans, and this could be even more harmful to Libya than an embargo, Mr. Schuler said.

When combined with the exodus of American technicians last year, he said, the embargo on such technology could depress Libya's utilization of its drilling rigs to 50 percent from the present rate of 90 percent or more.

The utilization rate in Algeria, which does not employ foreign technicians, is 50 percent, Mr. Schuler said.

According to an analysis prepared by the Gulf Oil Corp.'s planning and strategic studies department, Libya needs to export 1.3 million barrels of oil a day to meet its annual budget of \$16.5 billion.

Recently, however, daily output has slumped to just over 600,000 barrels. The government's production goal is 1.8 million barrels a day, and the country has the capacity to produce 2.1 million.

Moreover, Libya has a firm policy of not dipping into its financial reserves, which are estimated at more than \$30 billion.

Analysts say it was this that led Libya to borrow \$250 million on the Euro-dollar market last fall, its first government borrowing since Col. Muammar Qadhafi came to power in 1969.

Other Oil Sources
As for the effect on the United States, analysts said that a reduction in imports of oil from Libya would probably be offset by increased purchases from other producers.

United States imports of Libyan oil are believed to run about 115,000 barrels a day, only 2.4 percent of total imports and not enough to affect retail prices.

Although the unsettled nature of the situation led oil companies operating in Libya to refrain from commenting, it is known that some of them have already begun reducing the amount of Libyan oil they sell in the United States.

The Occidental Petroleum Corp., for instance, has reduced sales of its Libyan oil to less than 10 percent of the total in recent weeks, compared with an average of about 50 percent in 1981.

Libya and Tunisia, Ending Tension Over Aborted Merger, Sign Accord
United Press International

TUNIS — Libya and Tunisia have signed a cooperation agreement which the Tunisian foreign minister said brought an end to the severe strains that have characterized their relations since a plan to merge the countries fell through eight years ago.

The accord, which covers economic, industrial, cultural and information matters, was signed Saturday by the two foreign ministers during a five-day visit by Libyan leader Muammar Qadhafi to President Habib Bourguiba. The agreement was not published.

"A page has turned in Tunisian-Libyan relations, and a new page, marked by clarity, mutual confidence and fruitful cooperation, now is open," said Begi Caid es-

Soubi, the Tunisian foreign minister. His Libyan counterpart, Ali Abdesslem Triki, indicated that the two countries had agreed to take common stances at the United Nations and in other international groups.

Neither minister mentioned a union of Libya and Tunisia, which was proposed again by Col. Qadhafi after he arrived in Tunis Tuesday. Libya first suggested such a union in January, 1974, and Mr. Bourguiba agreed to it. But within months he repudiated it.

Relations worsened in 1980 following an attack Jan. 27 on the Tunisian city of Gafsa by a group of Tunisian expatriates. Tunisia blamed Libya for organizing the raid, in which at least 41 persons were killed.

Rightist Shot In El Salvador
(Continued from Page 1)

The report "does not say that 98 percent of the deaths were attributable to the security forces and 1 percent to the anti-government forces."

A spokesman for the information center of the University of Central America, a Catholic institution, estimated that 20 percent of the 1981 deaths could be attributed to the left, 20 percent were of uncertain origin and 60 percent could be blamed on the security forces.

The embassy said there were 6,116 violent deaths last year. Socorro Juridico listed 13,353 deaths and the university's information center 13,229.

"We can tell from the state of the bodies who is responsible," the Socorro Juridico spokesman said. "The left shoots people down and leaves. The military forces kidnap them and shoot them with their thumbs tied or wrists manacled, often after torture."

U.S. Marine Exercise
WASHINGTON (AP) — The U.S. Marines are preparing for a practice landing at the U.S. naval base in Guantanamo Bay, Cuba, this spring, Pentagon sources say.

Pentagon officials said Friday the operation would be a routine reinforcement exercise. Similar exercises were held at Guantanamo twice last year.

A report from Prensa Latina, the Cuban press agency, said the exercise was taking place "as Washington increases its threats against Cuba, Nicaragua and Grenada, at the same time that each day it becomes more compromised in a military adventure in El Salvador."

Protest in Amsterdam
AMSTERDAM (UPI) — The United States consulate in Amsterdam was damaged slightly Saturday by 2,000 demonstrators protesting against U.S. policy in Central America, the Dutch police said. Seven policemen were slightly injured.

WORLD NEWS BRIEFS

Mugabe Says Nkomo Plotted War

BULAWAYO, Zimbabwe — Prime Minister Robert Mugabe told a political rally Sunday that ousted government partner Joshua Nkomo was plotting to instigate a civil war, the Zina news agency said.

Speaking at a gathering in Umtali in eastern Zimbabwe, Mr. Mugabe said the arms caches found on farms owned by Mr. Nkomo's organization were enough evidence that he intended to overthrow the government. He added that Mr. Nkomo was plotting to stage a civil war. The prime minister also said security officials had arrested officials of Bishop Abel Muzorewa's United African National Council who were found in possession of arms, Zina reported.

Meanwhile, the central committee of Mr. Nkomo's party this weekend rejected his call to quit the coalition government and go into opposition in Parliament.

Japanese Workers Rally for Tax Cut

TOKYO — In Tokyo's first mass labor rally since 1974, Japanese workers converged on a park Sunday and demanded 1 trillion yen — about \$4.3 billion — in tax cuts for fiscal 1982.

Sponsors put the number of participants at 200,000, while police said there were 66,000 demonstrators at Yoyogi Park in central Tokyo.

The rally was called amid charges by workers that their purchasing power has dwindled under a five-year freeze on maximum non-taxable income. In 1980, the average income for a family of four in Japan was the equivalent of \$15,900, of which about \$1,100 was paid in taxes, a tax official said. Premier Zenko Suzuki's government so far has refused a tax cut, saying there are no financial resources to support it.

Papandreou, in Cyprus, Vows Support

NICOSIA — Andreas Papandreou, making the first visit to Cyprus by a Greek premier, pledged his government's "unlimited support" to the island in ending the Turkish military presence there. He criticized the Western allies for tolerating the Turkish invasion in 1974.

Speaking upon his arrival Sunday, he said he was launching "an international crusade to internationalize the Cyprus problem." He was greeted warmly by crowds estimated at 200,000.

Sunday, he laid a wreath at the tomb of the island's first president, Archbishop Makarios, on remote Throni Mountain. Mr. Papandreou later conferred separately with the leaders of the four main Greek-Cypriot political parties and was scheduled to address the parliament.

8 Killed, 20 Hurt in Beirut Explosion

BEIRUT — Eight persons were killed and 20 wounded in the fourth terrorist bomb explosion in Beirut in less than a week, police said, as U.S. presidential envoy Philip C. Habib discussed ways of saving a southern Lebanon cease-fire that he helped to negotiate seven months ago.

The bomb, which police and witnesses said was packed in a small station wagon, went off on Saturday, near an elementary school and a Syrian Army checkpoint during rush-hour traffic at the southern entrance to Beirut.

In a telephone call to a western news agency in Beirut, the Organization for the Liberation of Lebanon from Foreigners claimed responsibility for the explosion. The caller said the bombings would continue until April 28, when the six-month mandate of Syrian peacekeeping forces in Lebanon expires. The same group claimed two bombings last Tuesday, in which seven persons were killed.

CIA Says Assassins Failed In Attempt to Kill Qadhafi

(Continued from Page 1)

er, a senior U.S. official said the Israelis would do so "if they thought it would earn them points" in the United States. But this official said he is certain the Israelis were not involved in the December assassination attempt.

That attempt took place, the official said, while Col. Qadhafi was visiting a headquarters area in the Libyan countryside. One State Department report in early January said that Col. Qadhafi had gone to Moscow for treatment and had returned in early January.

Moscow Trip Doubtful
Other sources said that U.S. intelligence agencies had insufficient hard information to support this conclusion. They said they doubted that Col. Qadhafi had gone to Moscow during that period.

Initial news reports out of Rome and Tunis said that the assassination attempt took place Dec. 19 and that an eastern army commander, Col. Khalifa Khadir, was shot and killed by Col. Qadhafi's security guards during the attempt. Col. Qadhafi's driver reportedly was killed in the shooting.

At the time of the first reports of the attempt, Libyan embassies in various places denied the reports. An unconfirmed report currently circulating among those with good Libyan contacts in the United States is that Col. Qadhafi has lost confidence in his security forces and has replaced them with outsiders, in some cases Syrians.

Whatever may have happened in December, Col. Qadhafi resurfaced publicly Jan. 5 to address the final session of the General People's Congress in Tripoli. In a rambling speech carried live on Libyan radio, he made indirect reference to the assassination reports.

He said, "Two weeks ago, I went to a region inside the country. I particularly inspected a strategic

role of Solidarity, which the bishops said "enjoys wide public support" and whose challenge to Communist rule prompted the military takeover.

An appeal for workers to continue their struggle has been circulated by Solidarity's Warsaw leader, Zbigniew Bujak, who escaped arrest and is in hiding.

A document bearing his signature denounced the government's plans for new trade unions, saying that they would be puppets of the Communist Party. "The only path open to us is to struggle for the restoration of Solidarity activities," he said in a call to workers to speak out on behalf of the union.

The signs are that the authorities are opposed to reviving Solidarity, and Gen. Jaruzelski's talks in Moscow are likely to be of decisive importance in this regard.

Although some Polish moderates favor dialogue as the best way of restoring national unity, hard-liners want a tougher approach, according to informed sources.

Soviet View
A senior official in Moscow appeared to signal the Soviet view of the situation in Poland when he said that martial law had only checked counterrevolution in Poland and not rooted it out.

Leonid Zamyatin, head of the Soviet Communist Party's international information department, said Saturday that Solidarity leaders still at large were plotting against the Polish authorities.

He added that the Soviet Union thought the situation was still volatile and said there was no room for complacency by the military leadership in Warsaw.

Gen. Kiszczak said that, up to Feb. 26, 6,647 people had been interned, of whom 2,552 were released. Ten persons had been interned for resuming "anti-state" activities.

He added that the authorities were planning to issue a communique soon about Gen. Jaruzelski's proposal, made to Western diplomats last December, that opponents of the system might be allowed to emigrate to the West.

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CIGA HOTELS ASSOCIATE MEMBER

U.S. Reportedly to Put First MXs in Colorado, Wyoming, Nebraska

By Robert C. Torb

WASHINGTON — The Pentagon has decided that the first 40 of its MX missiles will be spread through Wyoming, Nebraska and Colorado and based in existing, unhardened Minuteman silos, it has been learned.

Subsequently, the Defense Department is expected to order construction of as many as 14 additional silos around each silo containing an MX missile in order to hide, or "deceptively base," the weapon, Pentagon officials said. Each MX will be housed in a transportable canister.

Eventually, officials said, an anti-ballistic missile defense may be ordered built to protect the MX installations — a move that could destroy the current ABM treaty with the Soviet Union and severely damage chances for future arms control agreements. Under the existing ABM treaty, the United States can erect such a defense system only at its Grand Forks, N.D., missile base.

The Air Force rejected the Grand Forks base for the MX missiles because geological features such as the depth of bedrock and water table level are less favorable there than at the sites in Wyoming, Colorado and Nebraska.

While the unannounced decision covers only 40 MX missiles, it will create a powerful momentum for basing some or all of the additional mobile missiles — between 60 and 160 more of them — in the same complex, which currently holds 200 Minuteman missiles as commanded from Warren Air Force Base near Cheyenne, Wyo.

Cost incentive
Lower cost will be the major incentive for putting all MXs there. After the first 40 are built and installed at the huge Warren missile field, each additional missile-silo combination will cost only one-tenth as much as the first 40.

Regardless of future decisions, the move — scheduled to be announced March 9 — is expected to be a major step toward ending the protracted debate over the MX basing.

President Jimmy Carter proposed building 200 MX missiles, each with 10 warheads, to be moved in a "shell game" fashion among 4,600 horizontal shelters in the deserts of Utah and Nevada. Such a system was considered relatively invulnerable to attack.

In the 1980 election campaign, Mr. Reagan attacked Mr. Carter's

MX basing scheme though not the missile itself. But once in office, Secretary of Defense Caspar W. Weinberger was unable to come up with a better alternative. In October the president announced he was killing the plan for basing the missiles in Utah and Nevada, where Mr. Reagan had won great political support. Mr. Reagan postponed until mid-1984 a decision on where to put the MX missile permanently.

Interim Plan

In the interim, he said, 100 MX missiles would be built, with the first 36 put in "superhardened" silos now occupied by the aging Titan missiles. After superhardening the silos, the MX missiles would be up to 25 percent safer from destruction than the Titans were, Mr. Weinberger explained.

Congressional Republicans and Democrats immediately opposed the Reagan plan. Most criticism was directed at the superhardened silo concept, which the Air Force had studied and discarded years before. By the end of the year, Mr. Weinberger agreed that the Titan silos could not be sufficiently hardened and ordered the first MX missiles — now to number 40 instead of 36 — into Minuteman silos.

But the idea of modifying the Minuteman silos was soon scrapped, too, in large part because the cost — about \$3 billion for 40 silos — would buy very little additional protection for the missile.

Mr. Weinberger and Sen. John Tower, Republican of Texas and chairman of the Senate Armed Services Committee, have agreed that empty silos will be built around the MX silos, defense officials said. In this way, Mr. Weinberger will not seem to be reversing himself totally on his opposition to putting MXs into existing unhardened silos since they will be protected, in a sense, by the deceptive nature of the nearby empty silos, the officials said.

At the same time, however, the MX missile will end up in a deceptive basing mode that differs only in its shelter position — vertical vs. horizontal — and number — up to 14 to 1 MX instead of a 23 to 1 ratio — from the Carter plan that he and Mr. Reagan so criticized.

The 40 MX missiles will be put into operation between 1986 and 1988. How and when the final decision will be made to dig the additional empty silos was not known.



Wayne B. Williams follows a police officer out of court after being convicted of murder and sentenced to two life terms.

Williams Found Guilty Of 2 Atlanta Killings

By Wendell Rawls Jr.

ATLANTA — Wayne B. Williams has been found guilty of killing two of 28 missing and murdered young blacks and sentenced to prison for two consecutive life sentences.

The verdict came Saturday night after a nine-week trial. "I'm sure there will be an appeal," said Alvin Binder, the lead defense lawyer for Mr. Williams, 23, a free-lance photographer and self-styled music promoter. "I'm sure that there are good grounds for an appeal, but I doubt that I will be in the case after today."

Lewis Slaton, the district attorney who prosecuted the case, read the verdict. Mr. Williams and his 68-year-old father were then allowed to make statements before sentence was pronounced.

"I maintained all along through the trial my innocence and I still say so today," the defendant said. "I just hope the person or persons who committed these crimes can be brought to justice. I still say I didn't do this... I more than anyone wanted to see this terror end, but I did not do it."

His father, Homer Williams, said: "I feel that this is an error of justice. In fact, I don't see how anyone anywhere can find my son guilty. It is unjust and I will say that anywhere in the world. No body has brought any evidence to prove that my son is guilty."

"It was the fibers, that was all I saw," Mr. Binder said of the evidence most damaging to his defense of Mr. Williams. "It certainly wasn't the witnesses." Fibers found on the bodies of the victims were linked with fibers taken from Mr. Williams' home.

10 Other Cases

It is not expected that the district attorney will try to prosecute Mr. Williams in the 10 other murder cases from which evidence was permitted in the trial case to show a pattern of behavior by the defendant and a pattern of evidence against him.

Under Georgia law, Mr. Williams will be eligible for parole in seven years.

Mr. Williams first came to the attention of law enforcement officials early on the morning of May 22. Authorities had begun watching bridges after the bodies of young blacks were found in the Chattahoochee and South rivers. Two Atlanta police recruits, a police officer and an FBI agent were stationed at a bridge over the Chattahoochee on the northwest outskirts of Atlanta.

The recruit below the bridge heard a loud splash. In court, he said he pointed his flashlight at the water, where he saw ripples spreading. He said he radioed the recruit on the bridge, told him of the splash and asked if he could see a car. The second recruit answered that a car was driving slowly toward him.

The police officer, stationed at the end of the bridge, testified that he saw the car turn around and head back across the bridge. The officer said he and the FBI agent stationed at the opposite end of the bridge stopped the car on Interstate Highway 285. Wayne B. Williams was the driver.

Two and a half days later, the body of Nathaniel Carter, a 27-year-old vagrant, surfaced about a mile downstream from the bridge.

Mr. Williams was questioned by police, then released. FBI agents questioned him the next day and arranged for surveillance. On June 3, he was brought to FBI headquarters and held for 12 hours to undergo questioning and lie detector tests while his home was searched.

He was arrested June 21. A county grand jury subsequently indicted him in the murders of Mr. Carter and Jimmy Ray Payne, 21, whose body had been found in the Chattahoochee near where Mr. Carter's surfaced.

The first two bodies were found on July 28, 1979, about 150 feet apart in woods in southwest Atlanta. Other disappearances and deaths of young blacks followed in the next year, but no obvious links or particular pattern to the killings emerged.

For more than a year, police investigators insisted there was no reason to believe the deaths were unusual. But because of public pressure and friction among the law enforcement agencies in the counties where the bodies were found, a special task force was formed to investigate the killings.

On Aug. 21, 1980, 12-year-old Clifford Jones, who was visiting from Ohio, was found strangled, and the police said that, when they noticed a pattern beginning to emerge. For the first time, similar fibers found on some of the bodies were linked.

Analysis of U.S. Cuts Shows Burden on Poor

By Spencer Rich

WASHINGTON — About 86 percent of the U.S. income tax benefits enacted by Congress last year will go to families with incomes of more than \$20,000 a year, while two-thirds of the cuts in benefits will be taken from families earning less than \$20,000, according to the Congressional Budget Office.

The study said low-income families would realize small tax savings from Mr. Reagan's tax cuts while high-income families would do extremely well.

A family with income under \$10,000 would average \$120 a year in tax savings. One with income from \$10,000 to \$20,000 would average \$440, and with income from \$20,000 to \$40,000 would average \$950 in tax savings, and one with income from \$40,000 to \$80,000 would average \$1,830.

A family with income of more than \$80,000 would average \$15,250 in tax reductions. Those families would end up with a fifth of the \$82 billion in 1983 tax savings.

The figures were contained in a study requested by Sen. Ernest P. Hollings, Democrat of South Carolina, and Rep. James R. Jones, Democrat of Oklahoma, chairman of the House Budget Committee.

China Ignores 10th Anniversary of Nixon Trip

By Michael Parks

PEKING — In a mark of its unhappiness over continued U.S. arms sales to Taiwan, China virtually ignored the 10th anniversary Sunday of the Shanghai communiqué that began the reconciliation between Peking and Washington and laid the foundation for the establishment of diplomatic relations three years ago.

Despite its practice of celebrating such major diplomatic anniversaries, China did not hold a ceremony commemorating President Richard M. Nixon's 1972 journey to China, nor did it issue any statement assessing Chinese-American relations or calling for continued cooperation.

The Chinese news media did report on a dinner given Friday in New York for Mr. Nixon by the Chinese ambassador to Washington, Chai Zemin, who was quoted as saying that it was "regrettable that difficulties came up due to the U.S. sale of weapons to Taiwan."

"Sino-American strategic relations should continue to develop, instead of stagnating or retrogressing," Mr. Chai said, according to the Chinese news agency, Mr. Chai said he hoped both sides would "strive to overcome the serious obstacles existing between the two countries," the agency reported.

Letter From Reagan

The Chinese news media passed over a letter from President Reagan last week to Premier Zhao Ziyang marking the anniversary of the communiqué and calling for a resolution of the dispute over continued U.S. arms sales to Taiwan.

The media also ignored a speech Saturday by Secretary of State Alexander M. Haig Jr. to a conservative political group in Washington in which he stressed the strategic importance of China to the United States. The Chinese Foreign Ministry had no immediate comment on either U.S. gesture.

U.S. officials would not disclose the contents of the Reagan letter, delivered through diplomatic channels, but described it as part of a "good faith effort" to settle the arms sale issue.

Arthur Hummel Jr., the U.S. ambassador to Peking, has been meeting regularly with senior Chinese officials for the past six weeks on the question, which will determine the course of Chinese-American relations. Mr. Haig described the talks last month as "extremely sensitive" and at a "delicate stage."

No progress in the talks is apparent, however, and Chinese officials speak with unrelieved gloom about their outcome. "I am not at all optimistic," a deputy foreign minister said recently, and Deng Xiaoping, Communist Party deputy chairman, who negotiated the 1978 agreement establishing full diplomatic ties, told an American visitor last month that "Sino-American relations are not good."

Whether this pessimism is tactical, meant to put pressure on the Reagan administration to make concessions and avoid an embar-

Unusual Neglect Underlines Dispute Over U.S. Weapons Sales to Taiwan

passing diplomatic failure, is not certain, for both sides are adhering to an agreed news blackout on the negotiations — the proposals each side is making, possible compromises, even the locale and frequency of the talks — to prevent the influential Taiwan lobby in Washington from attacking an agreement before it is reached.

China has gone so far as to say publicly that it would accept continued U.S. arms sales to Taiwan if

there were agreed limits on the character, scope and duration of the sales — in effect, a U.S. commitment to end the sales within a certain time, perhaps five years.

The Reagan administration is believed to be discussing the question in detailed terms, but U.S. officials resist suggestions that they are actually negotiating such a limit. The U.S. view remains, these officials say, that the president is required under U.S. law to provide

Taiwan with the arms necessary for the island's defense and cannot enter into an international agreement that would conflict with this responsibility.

China continues to insist that the sale of U.S. arms to Taiwan, which is recognized by the United States as a Chinese province, is gross interference in its internal affairs; akin to Peking selling weapons to, say, some insurgent group in Hawaii.

"We are making a major effort to bridge these difficulties," Mr. Haig said last month. "...I am not in a position to predict the outcome."

Haig, Addressing Conservatives, Stresses Value of Tie With China

By Oswald Johnson

WASHINGTON — Secretary of State Alexander M. Haig Jr. has warned some of his harshest critics on the political right not to overlook the strategic value of the United States' relationship with China.

Defending his policies against accusations of softness and moderation, Mr. Haig also explained Saturday that human rights conditions in Guatemala, whose rightist government has the support of many conservatives in the United States, disqualified that country for U.S. aid.

And the secretary again defended the Reagan administration's refusal to impose unilateral trade embargoes on Poland and the Soviet Union that would damage economic interests in Western Europe.

Taking the offensive on many issues, Mr. Haig won frequent and prolonged applause from his 300-member audience of the Conservative Political Action Conference, which has been critical of his policies.

On China, Mr. Haig partially dismissed his listeners by denouncing Soviet-backed Vietnamese

imperialism in Southeast Asia and declaring his opposition to normalizing U.S. relations with Hanoi.

But he pointed out that the one force that has restrained Vietnamese aggressiveness has been "the People's Republic of China, and the threat that North Vietnam

feels from the Chinese forces on their northern border."

He added: "Too frequently today in contemporary terms we neglect to take full weight of the strategic importance of the American relationship with the People's Republic of China."

Referring to Taiwan, the favored China of most of his audience, Mr. Haig said of his earlier statements: "Do not misread that as a plea to try to make new friends at the expense of old, but take it as a very strong caution that we must not look aside at the vital strategic role that the People's Republic can play in the region."

Regarding Guatemala, Mr. Haig again began with tough talk, supporting U.S. policy in Central America. He accused the news media of applying a double standard in calling El Salvador another Vietnam. "The American people are not unwilling to support a sound effort to do whatever is right — provided they believe we mean business and are going to succeed," he said.

Guatemala is pressed by "external subversion and external terror," Mr. Haig said, but policies of its government "do not permit the U.S. administration to offer aid directly."

Reagan Asks Conservative Critics To Help Broaden National Base

By George Skelton

WASHINGTON — President Reagan has called upon his increasingly critical fellow conservatives to join him in a "new crusade" to build a lasting majority coalition of "Main Street Americans" not devoted to any single issue who will elect like-minded politicians to office.

Only then, the president warned, can conservatives achieve the changes in government and society they desire.

In essence, Mr. Reagan asked them to stop complaining that his administration is not conservative enough and to join him in trying to win congressional passage of his latest round of proposed cuts in domestic spending and increases in funding for defense.

Mr. Reagan's speech Friday to the Conservative Political Action Conference highlighted three days of intensive wooing by the administration of New Right activists who lately have been critical of the president's policies and appointees.

Sensitivity Seen

Mr. Reagan's sensitivity toward the criticisms of conservatives, who throughout his political career have comprised the core of his support, was illustrated by the many Cabinet officers and other high administration officials he dispatched to address this relatively small convention of about 400 delegates.

Mr. Reagan, addressing the group for the second consecutive year, asked it to join him "in a new effort, a new crusade."

"Nostalgia has its time and

place," he said. "Coming here tonight has been a sentimental journey for me, as I'm sure it has been for many of you. But nostalgia isn't enough. The challenge is now. It's time to stop looking backwards at how we got here.

The president, in effect, was reminding his conservative audience of the politically obvious: that they need to build a popular coalition of voters who will elect like-minded politicians to office long after he ceases to carry their banner.

"We must reach out and appeal to the patriotic and fundamental ideals of average Americans who do not consider themselves 'movement' people, but who respond to the same American ideals we do," he said. "I'm not talking about some vague notion of an abstract, amorphous American mainstream. I'm talking about Main Street Americans in their millions."

"They come in all sizes, shapes and colors — blue-collar workers, blacks, Hispanics, shopkeepers, scholars, service people, housewives and professional men

and women. They are the backbone of America and we cannot move America without moving their hearts and minds as well," he said.

Rome Daily American Sold, Will Continue

The Associated Press

ROME — A group of Italians and Americans, headed by Anselmo Crisafulli, an Italian criminal lawyer, and Rome-based International Daily News publisher Robert Cunningham Jr., has purchased the Rome Daily American at a bankruptcy court auction for \$120,000.

Mr. Cunningham said Friday that both the Rome Daily American and the International Daily News would continue publishing. Plans for circulation were not announced, but International Daily News probably will be restricted to Italy, while the Daily American will circulate elsewhere in the Mediterranean area, Eastern Europe and the Middle East.

McNamara Challenges Reagan Aid Priorities

By Barbara Crosscut

WASHINGTON — The Reagan administration's response to the needs of the Third World is being challenged in a report published by the Overseas Development Council and by the council's chairman, Robert S. McNamara, a former president of the World Bank.

The report published Saturday by the council, a private organization engaged in research on developing nations, says the United States should make a greater commitment to development aid and place less emphasis on military or strategic considerations.

The report, "U.S. Foreign Policy and the Third World: Agenda 1982," says the United States has fallen almost to the bottom of the

list of 17 donor nations in the Organization of Economic Cooperation and Development in the ratio of development aid to gross national product.

Only Finland, Switzerland, Austria and Italy have weaker performances, the report says, adding that the Finns and the Swiss are expected to overtake the United States this year.

Low Marks

In a meeting with reporters last week, Mr. McNamara said that while he applauded President Reagan's speech Wednesday emphasizing liberalized trade policies in the Caribbean region, he gave the administration "very low marks" in addressing the problems of the poorest countries worldwide.

Mr. McNamara was critical of a recent Treasury Department recommendation that there be a 30-45 percent reduction in development funds for low-income countries made available through international lending institutions.

The report, the work of a team of scholars, was described by its supervisor, Professor Robert D. Hansen of the Johns Hopkins School of Advanced International Studies, as a critique of "neo-orthodoxy" in foreign policy planning.

The "hawks" of neo-orthodoxy, Prof. Hansen wrote in his summary of the report, "equate U.S. inability to control events in today's world with a decline in U.S. military power." The result, he said, is a preoccupation with the Soviet Union and a tendency to view all Third World developments in an East-West context.

U.S. Democrats Back Changes in Nominating Rules

New York Times Service

WASHINGTON — Despite warnings of potential opposition from women, big states, and state party chairmen, the executive committee of the Democratic National Committee has voted to endorse changes in the presidential nominating system recommended by a party committee headed by Gov. James B. Hunt Jr., of North Carolina.

Several abstentions were the only exceptions to votes Friday in favor of a resolution commending the commission's plan. But the abstentions were explained at length and outlined the dissents that may be heard when the full national committee considers the proposals at a meeting scheduled for March 26.

Gov. Hunt tried to anticipate one complaint by defending a decision to let House and Senate caucuses choose up to two-thirds of the Democrats in Congress as automatic national convention delegates. This, he said, was the only way the lawmakers would agree to come to the convention.

But Marge Thurman, the chairman of the Georgia Democratic Party and the Association of Democratic State Chairs, objected that these lawmakers would be "imposed on us." She said they would crowd out party workers who had to get votes in their own states to be chosen as delegates.

There were muted suggestions that the party's commitment to equal division between men and women would be undercut by making so many male officeholders automatic, uncommitted delegates. But the executive committee resolution, as adopted, proclaimed that the commission work would "strengthen the party's commitment to affirmative action and equal division."

OAU Condemns U.S. Policies on South Africa

The Associated Press

ADDIS ABABA, Ethiopia — The Organization of African Unity accused the United States on Sunday of encouraging South Africa to stall on changing its racial segregation policies and on giving independence to South-West Africa (Namibia).

The charge was contained in resolutions on South Africa and Namibia passed at the end of a weeklong foreign ministers' meeting highlighted by a dispute over the surprise admission of the Polisario Front, the guerrilla group fighting Morocco for control of the Western Sahara, as the organization's 51st member.

"The continuing political, economic and military collaboration of certain Western countries, particularly the United States, with the racist regime of South Africa, has served to encourage its persistent intransigence and defiance of the international community," the OAU ministers said.

The organization, also calling Britain and Israel collaborators with South Africa, said that "com-

prehensive and mandatory" economic sanctions would be the most effective way of helping South Africa's 20 million blacks achieve majority rule.

Though not citing the United States by name, the resolution on Namibia again accused "certain Western countries" of obstructing efforts for a negotiated independence settlement in the territory.

Ignoring Apartheid

Black African leaders have periodically charged the Reagan administration with being sympathetic to South Africa because of its anti-Communist stance while tending to ignore its apartheid policies.

They have also charged frequently that the United States and other members of the Western "contact group" seeking a Namibian settlement — the other states are Britain, France, West Germany and Canada — have tried to alter a UN plan for Namibian independence to appease the white minority in the territory.

The Addis Ababa meeting was

intended to be a routine budgetary session but, because of the admission of the Polisario Front, became one of the most divisive since the OAU was formed in 1963.

Nineteen OAU states boycotted the final session Sunday approving the resolutions, as part of a Moroccan-led protest over the seating of the Polisario as the Saharan Arab Democratic Republic when the meeting opened Monday.

Polisario guerrillas have been fighting Morocco for six years for independence of the Western Sahara, which Morocco has annexed in stages since Spain withdrew in 1976.

Walkout Tuesday

Morocco and seven other members walked out of the meeting Tuesday because of the decision by OAU Secretary-General Edem Kodjo of Togo to seat the Polisario.

In his closing remarks, the chairman of the meeting, Foreign Minister Archie Mogwe of Botswana, said the delegates "cannot ignore

the sad episode that has befallen our organization." He said he and Mr. Kodjo planned to fly to Nairobi to brief President Daniel Arap Moi of Kenya, the current OAU chairman, on the conference.

Morocco charged that Sunday's session was "absolutely illegal" and its work "null and void." Assistant Secretary-General Peter U. Onu of Nigeria said Morocco informed Mr. Kodjo by letter Sunday morning that at least 18 countries had decided to boycott the session and that therefore there was not a two-thirds quorum.

But Mr. Onu added: "When the council resumed this morning, there was a quorum. Two countries that withdrew — Liberia and Upper Volta — participated in the opening of the meeting. The rules say that at the opening of every meeting there must be a quorum."

He also contended that the resolutions were legally passed because the rules require only a simple majority for passage and a majority of member countries were in the conference hall.

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Boycotting Qadhafi's Oil

An American boycott of Libyan oil is an important gesture. But it is necessary to recognize that, in present circumstances, it is no more than a gesture. The Reagan administration ought to proceed only if it is ready to maintain this boycott in times of shortage as well as in the current surplus of oil.

For the present, Libya, still trying to enforce inordinately high prices, will have great difficulty selling its oil regardless of boycotts. Also regardless of boycotts, the United States will have no difficulty at all finding the oil elsewhere to meet its diminished import requirements. But, as everybody ought to understand by this time, events can reverse the market without warning and suddenly give all the advantages to the sellers. That is no reason to abandon the plan for a boycott. But Americans need to be aware that the boycott will not necessarily continue to be as costless and easy as it now appears.

Libya is the rare case in which economic sanctions are clearly worth invoking. Often, economic sanctions are poor weapons — ineffectual, injuring innocent bystanders more gravely than the targets. But, in this case, the general population — a small population, in a country with great wealth — is not going to suffer from the boycott. Neither is any other country likely to be affected. The purpose here would not be to starve Libya or use economic

duress as a means of punishing it for the reckless and violent forays abroad that have characterized Col. Moamer Qadhafi's rule.

The point of the exercise is the expression of moral disapproval, in the Wilsonian tradition. Because Col. Qadhafi has used the enormous Libyan oil revenues to finance assassination squads throughout Europe and in the United States, and to build up his armed forces to threaten his unfortunate neighbors in Africa, the United States is well justified in ending its inadvertent contributions to those depredations. If others wish to buy the oil, knowing how the revenues will be used, that is their affair — although it might be noted that the Europeans have been reducing their imports of Libyan oil significantly.

No doubt the Libyans can find other customers, if they choose to cut their prices further. No doubt they can find engineers and technicians to run their oil fields in place of the Americans who have been withdrawn. America is not trying to snuff out their economy. It is simply declaring that Libya, under Col. Qadhafi, has placed itself beyond the pale, and it now proposes to deliver that message by isolating Libya. The United States broke diplomatic relations some time ago, but in the Libyan case it is the commercial relations that count. The right response is the refusal to buy from them.

THE WASHINGTON POST.

The Disbelieved Believer

Every day, it seems, President Reagan loses another ally in his budget battle with Congress. He alone remains a true believer, unshakable in his faith that a healthy recovery can occur and be sustained for years despite huge and unyielding federal deficits. Inflation has come down dramatically and the president believes interest rates will follow: If only the nation will trust Reaganomics long enough to work, it will celebrate the vital new era promised a year ago.

Never mind that the knowledgeable Sen. Ernest Hollings greeted the president's 1983 budget with a radical alternative. The South Carolinian is a Democrat. But then came the defection of Sen. Howard Baker, the majority leader, and he in turn urged the nation's corporate leaders to confront Reagan with their alarm about his deficits.

That is what the hardy radical Mobil Oil Corp. has done. It pleaded for a reduction of the deficits because they contain "the seeds for renewed excessive inflation, retarded economic growth and continued high interest rates." And now comes Sen. Pete Domenici, the Republican star who skillfully shepherded the president's budget to passage last year, insisting on a rewrite this year — with or without the president's help.

It is thus inevitable that the Reagan budget will be drastically revised. But it is by no means certain that Congress by itself will come up with the best remedies.

Virtually all the suggestions heard so far are improvements. All would shrink deficits more decisively and fairly than the president's plans. But by concentrating on a delay or reduction in the income tax benefits due this July and next, they not only offend the president's proudest achievement but overlook more promising sources of revenue.

There is available a "supply-side" strategy that might yet appeal to Reagan. It would let

stand the incentives provided by the multi-year reduction in tax rates, which are expected to encourage some taxpayers to be more productive. The revenues that Congress draws from the economy should be in the form of taxes that discourage consumption, not production. A federal tax on gasoline or a fee on imported oil, for example, would yield both revenue and beneficial energy savings. A value added tax — basically a federal sales tax — could be imposed as the recession ends to raise revenue and discourage consumption directly. Some tax subsidies, like the deductions allowed for interest on consumer loans, should be withdrawn.

Why does the president stand so rigid against the clamor? Perhaps he is a secret Keynesian, wanting huge deficits to stimulate fast recovery from recession. Perhaps he thinks the recession gives him time to change course next year, after he is through squeezing expenditures on programs he resents.

But in considering tax increases, the country ought to be alert to a crucial difference between urgency and immediacy.

There is indeed no need to raise taxes immediately. No one urges a course that would only prolong and deepen the recession. There is, however, a need to act against future deficits urgently, to demonstrate that they will be declining, not rising, in the years of recovery. Until that is clear and credible, the financial markets will continue to roll in uncertainty, interest rates will stay high and even the recovery may be aborted.

Does the president really intend to stand idly by while economic policy is reconstructed all around him? His rigidity, or strategy of delay, is now an enemy of recovery and also of the most prudent repair of his budget. A useful economic strategy needs more than a single true believer.

THE NEW YORK TIMES.

Other Opinion

Against the Trident for Britain

Very soon, the government will announce its decision on the next generation of the British nuclear deterrent. In fact the decision has already been taken — to buy the Trident D5, the most powerful and expensive weapon the Americans have ever begun to build. All that remains is for the best terms to be concluded, and for the Cabinet and Parliament to agree. We hope Cabinet ministers think several times before accepting the case the prime minister and the defense secretary are preparing to put to them. Trident is strategically unsound, financially beyond (Britain's) reach, and, within the total pattern of defense, a gravely unbalancing element.

— From The Sunday Times (London).

For a Central American Strategy

Vietnam is across the Pacific from the United States but El Salvador is on its doorstep, and no one will seriously deny that the United States has an important interest in the Central American area, especially in view of the question mark attaching to Cuba's subversion and Cuban arms supplies in the region. However, applying a "domino theory" to the problem of El Salvador should not stampede Washington into using a sledgehammer to crack a nut. What the United

States urgently needs is a comprehensive Central American strategy.

— From the Neue Zürcher Zeitung (Zurich).

A Court Ruling to Spare the Rod

More than three centuries have passed since Samuel Butler penned that famous line, "Then spare the rod, and spoil the child," which was to give such strong moral comfort to generations of disciplinarians and even stronger physical discomfort to generations of children. The European Court ruling that Britain's teachers must no longer beat pupils against the wishes of their parents (one can safely assume it is always against the wishes of the children) is simply another milestone on the road along which, for better or for worse, humanity and the rights of the individual have long marched.

As regards caning in schools, [the ruling] surely marks the fast-approaching end of that practice. The alternatives are either to have separate schools for caning and non-caning or to have in the same classroom some unruly pupils able to flourish parental objections when called to book, and others forced to face the consequences of being without such dispensations. Either solution is a patent absurdity.

— From the Sunday Telegraph (London).

March 1: From Our Pages of 75 and 50 Years Ago

1907: Flying Machine Breaks Up

PARIS — At Vincennes, the Delagrè flying machine made its bow to the public and broke its neck. Some 200 persons witnessed the trial, including the celebrated aviator M. Santos Dumont and Mr. Archdeacon. It took an hour and a half to put the last touches to the apparatus. Then M. Voisin took his seat in the car, the motor was set in motion and the machine ran along the ground for some 20 meters against a light breeze. As soon as the wheels left the ground the forepart rose perpendicularly, the propeller touched the soil and the apparatus broke in two pieces. The Delagrè aeroplane weighs 290 kilograms and carries a 40-50 horsepower Antoinette motor.

1932: Hitler Denounces Republic

BERLIN — Stormily cheered by a crowd of 15,000, Adolf Hitler, naturalized German citizen, leader of the Nazis and opponent of President von Hindenburg in the national election, gave the keynote of his campaign with a sharp attack upon the republican system, postwar policy and the Versailles treaty. "This is not only a presidential campaign, but also a fight to overthrow the system established on Nov. 9, 1918," he declared. "Whoever believes he can humble us through threats errs. Enemies may threaten us and whip us, but we'll see who holds the whip at the end of this campaign." The 13 years of the "policy of fulfillment" had left Germany a heap of ruins, he said.

On the Japanese Sense of Grievance

By Hobart Rowen

WASHINGTON — Probably no businessman is as familiar with both the United States and Japan as Akio Morita, chairman of the Sony Corporation. Therefore, when Morita told a small group of influential American and Japanese opinion-makers in Washington the other day that Japan resents American "high-handedness," they all sat up and paid attention.

He conceded that "fair criticism" could be made of Japanese failure to abandon import quotas on tobacco and other agricultural products, and certain annoying non-tariff customs and other barriers. But he warned that the persistent pressure from the United States to "make more concessions" so as to reduce the Japanese trade surplus is becoming oppressive.

Instead of treating Japan as a friend, the United States and Europe are ganging up on Japan, he said, and are "treating [us] almost as an enemy."

These are tough words, reflecting a bitter assessment in Japan that it is taking a bum rap for the inability of American industry to compete. But there is equal bitterness in America, the extent of which the Japanese have been slow to appreciate.

Yale's Prof. Hugh Patrick,

commenting on a round of talks with U.S. congressional leaders, said the other day: "When the 'friendlies' are as unfriendly as they are, you have to worry about the unfriendlies." There is increasing frustration, and it will get worse instead of better.

The bilateral trade deficit for the United States could hit \$25 billion this year. Never mind that comparing bilateral trade balances can give a distorted view of world economic relationships. The United States, for example, has a sizable bilateral surplus with Europe, and surely would resist European demands that it make "concessions" to reduce the surplus.

And never mind that the United States enjoys a huge worldwide surplus on its sales of services — \$36 billion in 1980 — while Japan has a services deficit of \$11.3 billion. The hard political fact is that there is a high visibility to trade imbalance, and that it gets translated into "lost" jobs (as in the auto industry) and ultimately into pressure on Congress to "do something."

Reciprocity?

The buzzword on Capitol Hill today is "reciprocity" (bilateral trade agreements). A principle according to which the U.S. government should take steps to assure that American businesses have the same access to overseas markets that foreign firms enjoy in trading with the United States. Using this device to limit Japanese imports would run counter to the traditional American reliance on the "most favored nation" principle, according to which a nation must treat all others equally in its market.

But the administration's two chief trade policy-makers, Ambassador Bill Brock and Commerce Secretary Malcolm Baldrige, are willing to use the congressional drive for reciprocity as a lever to force Japan to open its markets further, even though it

threatens U.S. commitment to multilateral trade principles.

Baldrige, worried that American high-technology industries which used to excel are losing their competitive edge, is ready to twist Japanese arms on the idea of reciprocity.

He claims that Japanese producers have picked up 70 percent of the market for the 64K RAMs, a state-of-the-art microchip memory, by slashing prices "to the point where they are driving the United States out of the market."

It is doubtful that Baldrige can back up that claim. Edson Spencer, chairman of Honeywell, Inc., one of the major buyers of 64K RAMs, suggests that the Japanese have taken the lead in this microchip not because of price but because "the Americans got there late." Spencer says Honeywell has three suppliers of 64K RAMs, all Japanese, because American producers do not yet have 64K RAMs for sale. The danger is that the frustrated American response to the Japanese success — in these new fields as well as autos and consumer electronics — will be to drift into "reciprocity" legislation at the same time that it is protectionism by another name.

It will take a great deal of effort on the part of both Japan and the United States, the two economic giants of the free world, to defeat the internal forces for protectionism within each country.

Japan could allay some of the American bitterness by contributing more funds to worldwide economic development, and also by picking up a greater share of its own defense costs. The United States, for its part, will have to be more honest about its own shortcomings, modernize the economy, stress productivity, and rework the labor-management techniques that Japan wisely adapted from the United States in the 1950s.

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Policy Premises Three and a Half Decades Old

By Flora Lewis

NEW YORK — The premises of U.S. foreign policy have not changed since the late 1940s. They were that the United States had global interests that required the defense and cooperation of Western Europe, and that its major rival was the Soviet Union, at first in Europe and later practically everywhere.

The 1945 Yalta agreement provided for free elections in Poland, Romania, Hungary and Bulgaria, as well as for withdrawal of the Red Army from Czechoslovakia. But it did accord Moscow's right to insist that these countries on the Soviet Union's western borders should not have hostile governments.

In fact, Stalin methodically violated the pact, and Yalta came to symbolize the partition of Europe at the north-south line dividing Germany. That was essentially accepted by the West, despite a lot of mutual recrimination.

While there have been wars on other continents and sometimes bloody upheavals in Eastern Europe, the arrangement kept the peace in Europe and underlay America's policy of "containment," the resolve to tell the Soviets: so far, but no farther.

The Marshall Plan, NATO and other alliances stemmed from this analysis of the world the United States faced. Meanwhile, the United States supported and was sometimes actively involved in the liquidation of Europe's colonial empires, in part to express traditional American regard for independence and self-determination of peoples, in part to resist Communist pre-emption of the liberation cause.

Now, nearly 40 years later, decisions made after the war remain the fundamental guidelines of American policy.

But the world has changed drastically. The Soviet Union has become a nuclear superpower with global reach. Western Europe has fully recovered, although it is still too divided to act as a coherent power. China's alliance with Moscow has turned to hostility. Decolonization is completed, and the world is burgeoning with poor countries which have found that independence is not enough, and which in some cases are growing frustrated to the point of explosion.

New Generations

With ups and downs, the postwar policy worked, but it is running out. New generations have grown, and they no longer take for granted the assumptions passed on to them.

In Europe, people no longer accept the post-Yalta partition as inevitable and permanent. Germans may no longer intone reunification as a credo, but neither do they accept as enduringly justifiable the country's partition into two hostile states. This is reflected in the West German complaint of lack of "identity."

While Moscow fiercely denounces any challenge to "the results of World War II," its euphemism for its European empire, there has been a striking advance toward German-Soviet reconciliation. This showed in the recent Brezhnev, visiting Bonn last November, paid tribute to "our two peoples' will for peace" because "our two peoples suffered most in World War II," omitting familiar diatribes about Nazis, aggression, and revanchism.

Poland has been the latest and one of the

most spectacular demonstrations that the Yalta symbol has frayed. The military regime may suppress active opposition for a time, but it cannot ease any of Poland's economic and social problems, and resistance, perhaps more violent, will surely emerge again.

As one Polish official who long served the regime said recently, "Both Moscow and Washington must come to see that the division of Europe won't work any more and it's no longer in their interest to impose it."

So it is time for a sweeping new look at the premises of foreign policy. Can a safer way be found to cohabit Earth with the Soviets? Can America support the European urge to relax the continental and German division? Can it insulate unavoidable conflicts in the Third World, which has its own intense demands, from the dangerous East-West struggle? Can it accommodate change, not always to its liking but often beyond its ability to prevent?

These questions address an immense tangle of risks and opportunities. They raise fears that easier East-West relations in Europe would increase Moscow's influence on West Germany and break up the Western alliance, without reducing Soviet dominion in the East. The Soviets, internally weak, are seen as irresistible except by force.

But underlying questions have not really been examined for a long time, and the old answers are not necessarily so anymore. There is a profound lack of confidence in the West's own strength and stamina, which seems to block a new analysis. It must be made if we are not to stumble into disaster unaware.

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Letters

Iran and Unity

Although events in Iran have slipped from the front pages of Western newspapers, the slide toward chaos there continues. The revolution, which was an enormous outpouring of popular frustration and resentment against the Shah, has been transformed into an even worse dictatorship that masquerades in the guise of Islam.

I participated in the revolution, and I supported its goals, as governor of Azerbaijan province, until I was dismissed by the Khomeini government.

I grieved for the thousands of unknown soldiers who shed blood to make the revolution a reality. But now those who claim to be its guardians have become its manipulators. Through corruption, ignorance, avarice and brutality, they are dissipating the national wealth, destroying the fabric of our national life and trampling on the most basic human rights.

From time to time, an Iranian group announces that it has formed "the opposition" to liberate the country. In truth, so far there is no opposition, no unity of purpose that rises above sectarian differences. Such unity is necessary, both inside Iran and in the free world, which must understand that those who rule in Tehran represent neither Islam nor Iran.

Ramatollah MOGHADAM-M. Paris.

Somali Confusion

The report (IHT, Feb. 12) of an alleged army mutiny in northern Somalia could well cause confusion. That is the main purpose of Somali dissident groups who are paid with Libyan money and directed, from afar, by the Kremlin.

Somalia lies in the "arc of crisis" that has been strategically recognized by the United States through its creation of the Rapid Deployment Force. The aim of these disloyal Somalis is to disrupt the U.S.-Somali agreement for the use of Berbera as a facilities post for that force, and in so doing to weaken the string of defensive measures that the White House is taking for mutual benefit.

With respect, I would suggest that the good faith of information emanating from such sources be carefully checked.

LOUIS FITZGIBBON.

Havant, England.

Camp David Terms

Will the real Camp David please stand. These Mubarak-PLO formulas that the editorial writer (IHT, Feb. 6-7) supports were most intelligently excluded from the final Camp David peace agreements in order to permit fruitful and mutually accepted terms.

And for good reason: Such magic phrases as "self-determination" and "national entity" are the PLO euphemisms for obliteration of Israel as a state. If that is the shape of the future Middle East "peace" that the writer supports, let him say so directly.

MOSHE BEN-ZVI.

Hoofddorp, Netherlands.

Haig in Bucharest

In support of Leopold Unger's excellent article (IHT, Feb. 18), I confirm that Mr. Haig came to Bucharest at a time when the regime was strengthening its dictatorship. Since Mr. Haig's visit, published last Dec. 29 (copy enclosed) provides precise terms of from three months to 20 years, with partial confiscation of private property, for workers who do not strictly comply with disciplinary rules imposed in Romanian factories. A census of domestic animals is under way to oblige peasants to deliver more meat and poultry to the state.

MICHEL KORNE.

Ville d'Avray, France.

Mean, Generous

In the editorial "The State of the Union" (IHT, Jan. 28), "recently rich" Texas is said to be mean to the poor. Might this be hesitancy to drag the nonproducers up to expense of those who manage to make ends meet? And who is responsible for a family of four that cannot support itself?

"It would be grotesque," the editorial says, "to invite these states with a tradition of social co-

science to take disproportionate burdens of the nation's poverty as helpless people fed to them from the penury of the less generous." But if a state wants to be generous to the "helpless," it should accept responsibility for the influx of persons who would rather search for free lunch than a decent job. The country's belief in encouraging the "helpless" at the expense of discouraging producers and hard workers must stop, or a greater proportion of Americans will say "What's the use?" and give up.

DAN MCGILL.

Madrid.

Tweed and Garbage

In reference to the articles by Anthony Lewis and Henry Rosovsky on American higher education (IHT, Feb. 17): The humanities are treated inhumanly, yes, and the situation will get much worse as Reagan vivisection universities by cutting federal aid, and tweedy academics mumble impotently on award about "preserving the Western tradition" while they rearrange deck chairs on board their sinking Titanic. The facts are that students are being annihilated by rocketing tuition, and that the average salary of an American university professor is less than that of a New York City garbage collector.

JOHN DEAN.

Paris.

Regarding the column by Anthony Lewis and Herbert Denton's article ("Reagan's '83 Budget Called

Unfair to Children") in the same issue: As a writer of youth stories who supported Ronald Reagan for president, I have just had a rude setback. My literary agent writes from New York to say: "The juvenile and youth book market is having great trouble at this time owing to withdrawal of funds for school and public libraries. It should be understandable that publishers may reject your works despite liking them." He suggested that I might look around for something else to do until authors and publishers, not to mention the kids, get better times.

ROBERT L. HARTZELL.

Malaga, Spain.

Franklin's Choice

It is curious, when one reflects in times like these, that the usually farsighted Benjamin Franklin proposed that the national emblem be the turkey, rather than the eagle.

BARRY MATHER.

Nerja, Spain.

Reagan Defended

Unlike Hannah Baker (IHT, Feb. 10), I like Ronald Reagan better as president than when he was in the movies. I admire the way he stands up to European pacifist pressures, for one thing. I feel that we have been spoiled by past prosperity and that it will be good for us to "tighten our belts" for a while.

ELEANOR PERREAU.

Versailles, France.

The Gulf Need Not Dictate

By C. Van Hollen

NEW YORK — It is just over 10 years since the Union Jack was hauled down for the last time in the oil-rich Gulf, ending 150 years of British military presence. For most Americans it was a non-event. The United States was the world's largest oil producer, imported oil cost about \$2 a barrel, and the Shah of Iran stood ready to take over Gulf security.

By the end of the 1970s, U.S. oil production had fallen behind that of the Soviet Union and Saudi Arabia, oil imports had risen sharply, and the cost had jumped tenfold. After the Iran-centered security system collapsed with the Shah, and the Russians invaded Afghanistan, President Carter declared the Gulf "vital" to Western interests. He pledged the United States to defend the region against "outside" intervention and began to build the Rapid Deployment Force. President Reagan has indicated that the United States would intervene to preserve the monarchy in Saudi Arabia.

But will America remain hooked on Gulf oil? And are these American commitments warranted?

Recent international oil trends, coupled with more realistic assessments of the Soviet threat, suggest that the Gulf may become less important in the years ahead. If so, Washington will need to re-examine policy assumptions.

In the last two years, U.S. crude oil imports from the Gulf have dropped almost 50 percent, from 2 million barrels to just over 1 million a day. Gulf imports now constitute only 7 percent of American oil consumption and 3 percent of its total energy requirements.

Western European and Japanese dependence on Gulf oil is much greater than that of the United States, is also declining. This is because of the Iran-Iraq war, energy conservation, alternative energy sources and slow economic growth. Those countries' stance on the Palestinian issue makes them unlikely targets for the "oil weapon." Yet U.S. allies remain vulnerable to supply disruptions due to civil upheavals or regional wars.

Medium-range shortages can be cushioned by stockpiling and effective use of the consultative machinery of the 21-nation International Energy Agency. This machinery worked well at the outset of the Iran-Iraq conflict, when nearly 4 million barrels a day were lost to the world market. Major supply disruptions — more than 7 percent of combined IEA imports — would trigger the IEA's emergency oil allocation system.

In seeking funds for the Rapid Deployment Force, Defense Secretary Caspar Weinberger has told Congress that the Soviet Union is a major threat to oil and may make a military strike for the Gulf. But as Weinberger's Defense Intelligence Agency has noted, although Soviet production is likely to level off in the mid-1980s, the Russians have the potential to expand production in the '90s.

None of this should make the West relax, as it did after the 1973-74 oil shocks. In the near term, the industrial countries will continue to rely heavily on Gulf oil, and demand will increase as economic conditions improve. It is essential to give high priority to energy security measures, such as substitutes for oil, expanded drilling outside the Middle East, and strategic oil storage programs.

The Soviet Union will remain well-positioned to expand its influence by exploiting regional instabilities. But instead of concentration on the RDF, the United States needs to make better use of existing military assets and to use more political-diplomatic muscle, including more active involvement in the Arab-Israeli peace process.

It does not make sense to consider withdrawing one of the two carrier battle groups from the Indian Ocean. The unwieldy 225,000-man RDF will not be ready for about a decade; by then, America will probably not depend excessively on Gulf oil. In the short run, it would be better to maintain the "over the horizon" naval presence in the Indian Ocean and put more money in the ground at home.

The salt caverns in Louisiana and Texas now hold approximately 725 million barrels of oil. When the reserve is filled to its presently projected 750-million-barrel capacity, America will be able to absorb a daily loss of 2 million barrels of imported oil for a year — about twice as much as it now imports from the Gulf. A full reserve will also reduce the temptation to intervene militarily to prop up wobbly Gulf regimes.

In the last 10 years America has been held hostage to the Gulf and has assumed questionable commitments. With prudent policies it should be able to liberate itself before 1991, the 20th anniversary of the British withdrawal.

Christopher Van Hollen is a senior associate at the Carnegie Endowment for International Peace. He was deputy assistant secretary of state for Near Eastern and South Asian affairs from 1969 to 1972. He contributed this comment to The Washington Post.

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Pope John Paul II with Jesuit leaders at the Vatican, including, from left, Superior General Pedro Arrupe, the Rev. Paolo Dezza and the Rev. Giuseppe Pittau, the aide to Father Dezza.

Pope Promises End to His Rule of Jesuits

By Henry Kamm

ROME — Stately calling the Society of Jesus to strict obedience to his authority, Pope John Paul II nonetheless has taken the first step to end his direct rule over the embattled Jesuit order.

In a dramatic audience Saturday with more than 100 top Jesuit leaders and provincial superiors from all over the world, the pope announced a general congregation of the order would be called before the end of the year to elect a successor to the ailing superior general, the Rev. Pedro Arrupe, 74.

In October, the pope, displeased with many Jesuits' advocacy of the most liberal interpretation of the decisions of the Second Vatican Council and their activism in social causes, had named an 80-year-old Italian Jesuit as his special delegate to run the order.

In doing so, he overruled Father Arrupe, who, after having a stroke in August, had appointed an American Jesuit, the Rev. Vincent O'Keefe, to function as vicar until a new superior general could be elected.

Preparation for Election

Jesuit sources said a congregation to elect a successor required at least six months' preparation, and they did not expect the return to normal leadership to come before the middle of next year. But many who were interviewed at their Rome headquarters after meeting with the pope expressed relief at Saturday's developments.

Before the papal audience, Jesuits had expressed concern that the pope would indefinitely continue the rule by his delegate, the Rev. Paolo Dezza, and would severely criticize the order's performance under Father Arrupe.

Although these fears were allayed Saturday, John Paul was stern and pointed in telling the Jesuits what he expected of them. He reminded them that they were required to make a pledge of special loyalty to the pope.

The pope went on to extend this need for loyalty not only to himself but to all the bishops. Rebellious Jesuits have often had strained relations with bishops in whose dioceses they served.

Without directly citing differences in interpretation of the decisions of the Second Vatican

Council of 1962-65, which he interprets more conservatively than do most Jesuits, John Paul strongly presented his own view.

He emphasized that the council's decisions are to be carried out "not according to personal criteria or psychosociological theories."

"There is no more room for deviations certainly harmful to the vitality of the religious communities and the church as a whole," he said.

The pope warned the Jesuits that the church's concern for social justice must be exercised in keeping with their priestly vocation.

"This character must be even more emphasized today against multifarious tendencies to secularize the priest's service and to reduce it to a function that is purely philanthropic," he said. "His service is not that of the physician, the social worker, the politician or the trade unionist. They must not take the place of laymen and even less neglect the task which is specifically theirs."

Reading his 18-page text — starting in Italian, then in French, then in English — the pope reserved the announcement of his decision to allow an election of a new superior general for his peroration in Spanish.

As the Jesuits filed out of the audience, they spoke with satisfaction of the things that the pope had said. They noted the critical statements had not been directed to the Jesuits specifically but had been put in general terms.

They noted the pope had spoken with warmth of their superior general, a Basque who enjoys deep affection within the order, and had addressed him as "Carissimo Padre Arrupe."

The conciliatory spirit was foreshadowed Saturday morning when Father Arrupe and the provincial superiors jointly said Mass in the Jesuits' chapel.

In a homily he introduced and then had read on his behalf, the superior general praised the "full and filial obedience" with which the society had obeyed the pope's special measures. He urged them to accept the measures not only with obedience but also with joy.

Asked whether this meant the Jesuits had "surrendered," a leading member of the order replied with a broad smile, "Don't you believe it!"

In War of Nerves, Lebanon Braces Against Israeli Threat

By John Kifner

New York Times Service

TYRE, Lebanon — The head-quarters of the "western front" is a sandbagged basement of a bombed-out house and a nearby tent on a concrete slab. They are on the edge of this ancient port in an alley off a side street of houses flattened during the last round of fighting in southern Lebanon.

"We expect the attack at any time, from minute to minute," said the Palestinian guerrilla commander, who operates under the name of Col. Asmeh. "We are ready to die fighting or to win, for there is nothing at our backs but the sea."

Carefully, the colonel, a former Jordanian Army officer, went over a map. He pointed out the villages in the enclave on the Israeli-Lebanese border controlled by breakaway Lebanese Army Maj. Saad Haddad. He noted where there were buildups of Israeli troops and armor.

Nearly every day, for more than a month now, there has been a tough warning from one high-ranking Israeli officer or another that any provocation from the Palestinians will bring a swift invasion to clean out the guerrilla bases in southern Lebanon. Moshe Arens, Israel's new ambassador to the United States, recently said of Israeli military action: "I would almost say it's a matter of time."

The Reagan administration has sent in its special Middle East envoy, Philip C. Habib, to try to shore up the cease-fire he helped arrange in July. Meanwhile, the United Nations voted to add another 1,000 troops to the 6,000-man force that tries to keep apart what are derisively called "the two forces" — Maj. Haddad's Israeli-backed militia — and "armed elements" — Palestinian guerrillas and Lebanese leftists.

War of Nerves

Invasion jitters are hardly new to Lebanon, the killing ground for so many Middle East disputes. They have been another unpleasant fact of life since the Israelis invaded Lebanon in 1978. It is possible the current Israeli threats are in reality part of a war of nerves to keep the Arabs off balance and to bring some concessions from the Americans in exchange for good behavior.

But the threats — and reports by UN observers of Israeli troop movements along the border and in "Haddad land," as the area taken by the Israelis is called — are taken seriously. There is a growing feeling that an invasion is all but inevitable and that the fighting is likely to be big and bloody.

Mr. Habib flew into Beirut Friday. He is generally held in reserve and launched only when the State Department thinks the Israelis are about to do something rash. United Nations officials have also been trying to put pressure on the various combatants, Palestinian guerrillas, chief Yasser Arafat, UN sources say, has promised to control his men, but fringe elements could always strike out on their own.

One factor that keeps pushing toward a showdown is that, quite simply, the Palestinians are getting stronger and the Israelis are unlikely to tolerate this. While observers here discount reports of an extensive military buildup, it is clear the guerrillas have been strengthening their positions and bringing in new weapons, including heavy artillery and mobile truck-mounted Grad rockets, used so effectively last July. However, the guerrillas are far from ready to challenge the Israelis in conventional military terms. They are seriously lacking in effective anti-aircraft weapons, military sources say.

Israeli military leaders have re-

portedly held several meetings with Bashir Gemayel, leader of the Maronite Catholic militia, raising the possibility of an invasion coordinated with an attack by rightist Maronite forces on Palestinian or Syrian positions in Beirut or near the airport.

On the Palestinian-leftist side, perhaps the most crucial factor will be the role of the Shiite Muslim community native to southern Lebanon and their Amal (Hope) militia. Although nominally allied with the left, the Shiites have clashed repeatedly with Palestinian guerrillas and Lebanese leftists in the south. The Amal organization is believed to be badly fragmented and infiltrated by several of the factions and outside interests that keep armed politics boiling in Lebanon.

Particularly in the south, many

Shiites resent the continued Palestinian presence, fearing the guerrillas will be permanently implanted on their land. Israeli bombing and shelling have also turned some Shiites against the Palestinians, as they were doubtless meant to do.

Maj. Haddad's militia, once mainly Christian, is now believed to contain as much as 40 percent Shiites. Syria has also been supporting Shiite elements, possibly with the aim of using them to keep Mr. Arafat's guerrillas in line. In

the event of an Israeli invasion, some Shiite militiamen could conceivably fight behind the lines against the Palestinians and cut their supply and communication lines.

For the moment, diplomats in Beirut and guerrilla leaders feel Mr. Habib's tour and a visit to Israel later this week by French President Francois Mitterrand will keep the lid on. But for many, the question remains not whether, but when.

Israel Insists Mubarak Visit Include Jerusalem

By William Claiborne

Washington Post Service

JERUSALEM — The Israeli government warned President Hosni Mubarak of Egypt Sunday that if he refuses to include Jerusalem in his planned visit to Israel, the visit will be canceled.

The warning was contained in a statement approved by Prime Minister Menachem Begin and his Cabinet after Foreign Minister Yitzhak Shamir briefed the ministers on his visit last week to Cairo. Mr. Shamir met with the Egyptian leader during the visit.

The condition threw into doubt whether Mr. Mubarak, who has repeatedly refused to commit himself to a specific date for his first

visit to Israel, would come at all. Israeli officials had first mentioned mid-February for the visit, but recently have talked about "some time in March."

The Cabinet statement, read to reporters by Cabinet secretary Aryeh Naor, said, "If President Mubarak refuses to include Jerusalem during the course of his visit to Israel, we would have to do without this important visit."

Jerusalem Not Ruled Out

Mr. Naor would not say whether Mr. Begin or Mr. Shamir had been advised by the Egyptians that Mr. Mubarak would not come to Jerusalem. But a source in the government said the Egyptians "have said they would prefer to come to other places, but they have never said they would not come to Jerusalem."

The source said that Mr. Mubarak made it clear during his talks in Cairo that he would prefer a working visit, as opposed to an official state visit, and that he would prefer visiting Tel Aviv or another major city so as not to heighten criticism from the rest of the Arab world.

Israeli officials denied a report, made by Israeli radio, that Mr. Shamir had given Mr. Mubarak a note from Mr. Begin saying that if the Egyptian leader was unwilling

to visit Jerusalem, he should stay away. But an official said, "There were discussions through diplomatic channels."

Mr. Begin is understood to regard a Mubarak trip that excludes Jerusalem as a potential slight to him and a demerit of the Camp David accords, which began to take shape as a result of President Sadat's historic visit to Jerusalem in November, 1977. Moreover, the prime minister is said to feel that such an exclusion would symbolically undermine the importance of Jerusalem as the capital of Israel.

After his 1977 visit, Sadat's trips to Israel included Haifa and Beersheba, but not Jerusalem. Mr. Begin's aides said that was not considered important at the time, because the Egyptian leader had already visited the capital.

There has been speculation in Jerusalem that Mr. Mubarak has been delaying his visit out of fear of being embarrassed in the way Sadat was when Israeli jets bombed Iraq's nuclear reactor two days after a Begin-Sadat meeting last June.

Amid reports of a possible Israeli air strike against Palestinian guerrilla positions in southern Lebanon, Mr. Mubarak was said to be wary that such a strike during or immediately after a visit

would create the impression of collusion.

Sinai Militants Block Roads

KEREM SHALOM, Sinai Border (WP) — Frustrated in their attempts to demonstrate at border roadblocks erected by the Israeli Army, militant settlers in the northern Sinai Peninsula set up their own barricade Sunday outside the town of Yamit, while hundreds of supporters protested outside Israel's parliament, the Knesset.

The army tightened its control over approaches to the Sinai, positioning scores of troops at five roadblocks and erecting elaborate barricades of concertina wire and road nails. Additional checkpoints were positioned on both sides of the main roadblocks to screen out demonstrators attempting to reach the border.

Just outside Yamit, hundreds of members of the Stop the Sinai Withdrawal Movement blocked the main highway with cars and tractors, and checked the identification of passing motorists. Moshe Meir, a spokesman, said supporters who have volunteered to repopulate abandoned neighborhoods in the Sinai would be brought in through the desert, around the army roadblocks.

Suspect's Brother Shifts Stance in U.S. Death of Turk

Los Angeles Times Service

LOS ANGELES — The brother of Hanpik Sassounian, who is accused of having killed the Turkish consul general here, has evidently contradicted his earlier statements that the suspect was home watching television when the diplomat, Kemal Arkan, was slain.

In a court affidavit filed here last week, police said that Harout Sassounian, 21, told FBI agents that his brother, Hanpik, 19, and a person identified as Koko arrived at the Sassounian home in Pasadena at about 10:20 a.m. on Jan. 28, the day of the killing.

The assassination occurred at 9:56 a.m. in an area of Los Angeles at least a 25-minute drive from the Sassounian residence. In an interview Jan. 29, Harout and his father, Maroug, 51, told a reporter that Hanpik slept late the day of the killing and was at home at 10:05 a.m.

Hanpik Sassounian was arrested the day of the shooting, but the other suspect, Krikor "Koko" Saliba, 21, remains a fugitive. Harout Sassounian was arrested last week on charges arising from a 1980 firebombing that charred a garage at Mr. Arkan's house.

The shooting was claimed by the so-called Justice Commandos of the Armenian Genocide.

Egypt to Charge 1,000 With Plot

New York Times Service

CAIRO — The Egyptian state security prosecutor will announce three separate indictments against about 1,000 people in the coming month, on charges of trying to overthrow the Egyptian government and set up in its place an Iranian-style Islamic regime.

The weekly magazine Al-Musawwar, in a report based on information from senior officials at the Interior Ministry, said that the accused, members of an organization called Jihad (holy war), were behind strife between Christians and Muslims in Cairo last year and the fundamentalist uprising in Asyut shortly after President Anwar Sadat's assassination last October. The group has also been linked to the assassination.

The article, whose contents were

confirmed by the office of the state security prosecutor, said Jihad had also planned to assassinate senior government officials and to bomb shrines in well-known mosques.

Theology Professor

The accused have been grouped into three categories, according to the extent of their involvement in Jihad. The first comprises about 200 people said to form the leadership of the organization. The head of Jihad is said to be Omar Abdel Rahman, a professor of theology accused in the Sadat assassination trial of providing the religious sanction for Sadat's murder.

Several other defendants in the trial, including Mohammed Abdel Salaam Farrag, the alleged ideological leader of the group, will face charges in the state security court

as well as before the military tribunal trying the Sadat case.

The leadership is accused of training paramilitary militias and plotting "to create chaos in Egypt, overthrow the ruling regime, and seize power" to form what was to be one of a chain of Islamic republics. Mohammed Salem Rahal, a Jordanian national of Palestinian origin, was said to serve as a link between Jihad and outside organizations.

The second group, which includes more than 300 people, is accused of helping to finance Jihad and of forming scouting and reconnaissance teams. The organization reportedly financed its activities through theft and donations given to build mosques. The third and largest group comprises the rank-and-file members of the organization.

W. German Party Unit Undercuts Coalition, Asks Nuclear-Free Zone

By John Vinocur

New York Times Service

BONN — A regional convention of the Free Democratic Party has called for the establishment of a nuclear-free zone in Europe, a position contradicting that of Foreign Minister Hans-Dietrich Genscher, the party's national chairman.

The vote at the Baden-Wuerttemberg party convention Saturday in Göttingen came after the group was told by the chairman of the party's parliamentary group, Wolfgang Mißnick, that the establishment of such a zone in Western Europe could lead to possible nuclear blackmail by the Soviet Union.

The regional group's action undercut the security position of the Bonn government, of which the Free Democratic Party is the junior coalition partner. It was the first such decision by a Free Democratic state party organization, and it followed a pattern of rebelliousness against nuclear policy apparent in the Social Democratic Party.

It is now expected that Mr. Genscher, who threatened the party's last national convention with resignation if the Free Democrats turned their backs on NATO's missile deployment policy, will have to fight within the party to hold it to the government's course on security matters.

The motion, passed by the regional group by a large majority,

set conditions for the attempted establishment of a nuclear-free zone. The conditions were the successful conclusion of U.S.-Soviet negotiations on medium-range nuclear missiles and a readiness to improve conventional forces.

Minister Declines U.S. Rights Post

WASHINGTON — The Rev. B. Samuel Hart says he has withdrawn his name from consideration as President Reagan's nominee to the Civil Rights Commission because he does not wish to "contribute further to any division among our peoples."

A White House spokesman said Friday that Mr. Reagan had agreed to withdraw Mr. Hart's nomination. Civil rights groups have denounced the evangelist's opposition to the Equal Rights Amendment, homosexual rights, the theory of evolution and the denial of tax exemptions to segregated private schools.

Mr. Hart, 52, said in a telephone interview that he had withdrawn because "the constant phone calls and harassment of the press are taking me from my primary Christian ministries," and because he observed "a divisive attitude among the very people that the Civil Rights Commission is intended to help and protect."

Mr. Mißnick, in opposing the motion, asked if "an atom weapon-free zone does not contain the danger of a decoupling in the European security system."

This notion has been called unrealistic by Chancellor Helmut Schmidt, who has said that such a zone would not eliminate the threat of missiles being fired from the Asian half of the Soviet Union or end Soviet superiority in conventional weaponry.

'Not an Appendix'

There were suggestions from some party delegates that attempts had been made to limit discussion. In a remark aimed at Mr. Genscher, the deputy regional chairman, Heinrich Endeck, said, "The party is not going to be an appendix to the Foreign Ministry."

Mr. Genscher is to fly to Washington March 7 for two days of talks with President Reagan and Secretary of State Alexander M. Haig Jr. on security and economic matters.

The regional party group also called for a ban on neutron weapons and their deployment in West Germany. A motion was voted down to reject NATO's plans to deploy Cruise and Pershing-2 missiles in West Germany if the United States-Soviet talks in Geneva are unsuccessful, but the group said that the party should make a decision on the issue before any final steps on deployment are taken. Deployment is planned to begin in December, 1983.

France Places Ban On Tanks to Chile

Reuters

PARIS — France has suspended delivery of 29 AMX-30 tanks to Chile, out of an original order of 50, in line with an embargo imposed by President Francois Mitterrand's Socialist administration, according to the Defense Ministry.

Twenty-one AMX-30s were delivered to Chile just before Mr. Mitterrand was elected in May. The 29 others have been held since then in French arsenals. Ministry officials said Friday the ban was imposed because the tanks could be used for internal repression.

Defense Minister Charles Hernu said recently that there would be no weapons sales to Chile's military government, and added, "We have no intention of resuming arms talks as long as the present Santiago regime remains in office."

Film Director Teinosuke Kinugasa, Winner of Oscar in 1954, Dies at 86

United Press International

TOKYO — Teinosuke Kinugasa, 86, a Japanese director who won an Oscar in 1954, died Saturday of cerebral thrombosis at his home in Kyoto, his family said.

Mr. Kinugasa's film "Jigoku-

adopted as the "National Romanization" by the Chinese government in 1928. It bore his name and remained the standard transliteration method until it was replaced by the Pinyin spelling system in 1950.

Sir Ronald Bell

LONDON (AP) — Sir Ronald Bell, 67, a Conservative Party legislator, collapsed and died Saturday in his office in the House of Commons shortly after presiding over a meeting of members of Parliament opposed to membership in the European Economic Community.

Col. Gen. Nikolai Trufanov

MOSCOW (Reuters) — Col. Gen. Nikolai Trufanov, 81, chief Soviet military adviser to the Chinese Army from 1957 to 1960, has died, the Soviet Defense Ministry announced Friday.

OBITUARIES

moon" (Gate of Hell) was awarded the Grand Prix in the Cannes Film Festival and an Oscar for best foreign film in 1954.

Yuen-Ren Chao

BERKELEY, Calif. (AP) — Yuen-ren Chao, 89, a University of California linguist who helped establish the foundation of modern linguistics in China, died Wednesday.

Born in China and educated in the United States, Mr. Chao developed a phonetic alphabet that was

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There are other ways to save money. Save with a shortie. In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. And you pay for the callback from the States

with dollars, not local currency, when you get your next home or office phone bill.

Save these other ways. Telephone Company Calling Card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

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NOUVELLE REVUE COCOCO I

LIDO

20 h 30 Diner dansant champagne et revue

335 F

22 h 30 Revue et 0 h 30 champagne

230 F

PRIX NETS/SERVICE COMPRIS

NORMANDIE 116 bis av. des Champs-Élysées 563 11 61 et agences

PRENIE

MOULIN ROUGE

20 h 00 Diner dansant champagne et revue

335 F

22 h 00 Revue et 0 h 00 champagne

230 F

PRIX NETS/SERVICE COMPRIS

MONTMARTRE Place Blanche 068 00 19 et agences

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

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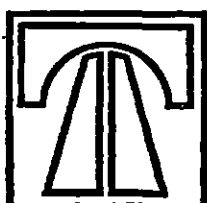
540	Moscow-Parkman	9/34	94	29.28	29.97	10.27
530	and Mining Dev Bank	9/14	93	Feb	26.44	26.24
520	Chryster Overseas	9/14	93	Feb	26.27	26.07
510	Chryslers Grp.Ind.	9/14	93	Feb	26.27	26.07
500	S&P	4/72	95	Jun	24.77	24.97
490	Paragon	5/24	94	Jun	24.77	24.97
480	Chryslers-Elec.	5/24	94	Jun	24.77	24.97
470	National Finance	1/14	93	Jun	14.73	14.53
460	Catena Nat.Telecom	5/24	94	Jun	14.73	14.53
450	and Nat. Telecom	5/24	94	Jun	14.73	14.53
440	Int'l. Ref. Credit	7/12	92	Oct	14.73	14.53
430	Int'l. Ref. Credit	7/12	92	Oct	14.73	14.53
420	East Transatlantic	7/12	92	Oct	14.73	14.53
410	Star-Weiler	7/12	92	Oct	14.73	14.53
400	Star-Weiler	7/12	92	Oct	14.73	14.53

515	World Foods/Diversified	3/24	Nov.	35 1/2	34 1/2	28 1/2	14 5/8
516	Western Union/Easy	5 1/2	1/2	71	71 1/2	71 1/2	26 1/2
525	Metroland Estate	1/1	Feb	61 1/2	61 1/2	61 1/2	18 1/2
540	Comstock Inc/Banque	10 1/4	1/1	Jan	61 1/2	61 1/2	24 1/2
545	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
550	Venezuela	3/4	Oct	Oct	61 1/2	61 1/2	13 1/2
555	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
560	Cotnam Inc/Automatic	1 1/4	1/2	Mar	61 1/2	61 1/2	18 1/2
565	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
570	United Blacktop Ltd	1 1/2	1/2	Mar	61 1/2	61 1/2	18 1/2
575	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
580	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
585	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
590	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
595	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
600	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
605	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
610	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
615	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
620	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
625	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
630	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
635	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
640	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
645	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
650	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
655	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
660	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
665	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
670	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
675	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
680	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
685	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
690	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
695	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
700	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
705	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
710	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
715	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
720	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
725	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
730	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
735	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	14 1/2
740	W. H. H. Co/Steel	3 1/2	1/2	Mar	61 1/2	61 1/2	

3115	Jeff Horvath	12/24	15	Jun	60	31.70	28.54
3175	Mossy-Peragus	9/12	71	Aug	50	22.60	20.90
3176	Turbot Reserves P-Cv	12/12	70	Feb	70	10.67	17.20
3178	Pomac	17/12	70	Nov	101	12.70	17.20
320	Continuing Overseas Fin	13/12	71	Dec	70	17.20	17.20
320	Continuing Overseas Fin	17/12	70	Feb	144	12.18	17.20
cn5-68	Reynold Inc	17/14	68	Dec	162	14.62	14.91
cn5-68	Prov Of Quebec	18	70	Oct	160	14.60	14.91
cn5-68	Reynold Inc	18	70	Oct	162	14.62	14.91
cn5-75	Comedior Imperial Ltd	18/24	70	Jan	14	12.14	14.91
128	Beneficial Overseas Pln	14/14	70	May	11	17.92	14.92

\$190	General Motors	11	26	Apr	87	15.9	13.24
\$20	General Motors <td>6/34</td> <td>26 <th>Apr</th> <th>87</th> <th>14.2</th> <th>15.81</th> </td>	6/34	26 <th>Apr</th> <th>87</th> <th>14.2</th> <th>15.81</th>	Apr	87	14.2	15.81
\$20	General Motors <td>11/34</td> <td>26 <th>Apr</th> <th>87</th> <th>14.2</th> <th>13.24</th> </td>	11/34	26 <th>Apr</th> <th>87</th> <th>14.2</th> <th>13.24</th>	Apr	87	14.2	13.24
\$320	General Motors <td>11/34</td> <td>26 <th>Apr</th> <th>87</th> <th>14.2</th> <th>13.24</th> </td>	11/34	26 <th>Apr</th> <th>87</th> <th>14.2</th> <th>13.24</th>	Apr	87	14.2	13.24
\$320	Gmcc Overseas Fin <td>14/1/2</td> <td>34 <th>Dec</th> <th>91</th> <th>15.79</th> <th>14.26</th> </td>	14/1/2	34 <th>Dec</th> <th>91</th> <th>15.79</th> <th>14.26</th>	Dec	91	15.79	14.26
\$100	Gmcc Overseas Fin <td>11</td> <td>34 <th>Nov</th> <th>90</th> <th>15.29</th> <th>12.15</th> </td>	11	34 <th>Nov</th> <th>90</th> <th>15.29</th> <th>12.15</th>	Nov	90	15.29	12.15
\$190	Gmcc Overseas Fin <td>12/3/5</td> <td>35 <th>Jul</th> <th>91</th> <th>15.34</th> <th>14.04</th> </td>	12/3/5	35 <th>Jul</th> <th>91</th> <th>15.34</th> <th>14.04</th>	Jul	91	15.34	14.04
\$100	Gmcc Overseas Fin <td>9/14</td> <td>36 <th>Jul</th> <th>92</th> <th>14.12</th> <th>11.21</th> </td>	9/14	36 <th>Jul</th> <th>92</th> <th>14.12</th> <th>11.21</th>	Jul	92	14.12	11.21
\$100	Gmcc Overseas Fin <td>14/34</td> <td>37 <th>Jul</th> <th>94</th> <th>14.23</th> <th>15.61</th> </td>	14/34	37 <th>Jul</th> <th>94</th> <th>14.23</th> <th>15.61</th>	Jul	94	14.23	15.61
\$180	Gmcc Overseas Fin <td>14/34</td> <td>37 <th>Jul</th> <th>94</th> <th>14.23</th> <th>15.61</th> </td>	14/34	37 <th>Jul</th> <th>94</th> <th>14.23</th> <th>15.61</th>	Jul	94	14.23	15.61
\$100	Gmcc Overseas Fin <td>12/7/8 <td>38 <th>Feb</th> <th>94</th> <th>14.11</th> <th>14.91</th> </td></td>	12/7/8 <td>38 <th>Feb</th> <th>94</th> <th>14.11</th> <th>14.91</th> </td>	38 <th>Feb</th> <th>94</th> <th>14.11</th> <th>14.91</th>	Feb	94	14.11	14.91
\$130	Gmcc Overseas Fin <td>14 <td>38 <th>Feb</th> <th>95</th> <th>14.53</th> <th>14.33</th> </td></td>	14 <td>38 <th>Feb</th> <th>95</th> <th>14.53</th> <th>14.33</th> </td>	38 <th>Feb</th> <th>95</th> <th>14.53</th> <th>14.33</th>	Feb	95	14.53	14.33
\$75	Goodyear Overseas Fin <td>12/1/3 <td>17 <th>Jun</th> <th>94</th> <th>14.42</th> <th>14.42</th> </td></td>	12/1/3 <td>17 <th>Jun</th> <th>94</th> <th>14.42</th> <th>14.42</th> </td>	17 <th>Jun</th> <th>94</th> <th>14.42</th> <th>14.42</th>	Jun	94	14.42	14.42

All these bonds having been sold, this announcement appears as a matter of record only.



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Analysts Challenge Alternative U.S. Budgets

By John M. Berry
Washington Post Service

WASHINGTON — In the upside-down economic world of 1982, Democrats and Republicans are vying with one another in the midst of a recession to reduce the size of the federal budget deficit.

If they are successful, the tighter fiscal policy would, taken alone, likely mean an even more depressed economy.

During previous recessions, most members of both political parties rushed in the other direction, cobbling packages of spending programs and tax cuts that were supposed to stimulate the economy.

Now, Sen. Ernest F. Hollings, Democrat of South Carolina, is urging Congress to adopt a \$115 billion set of tax increases and spending cuts that would chop the 1983 deficit to less than half the level proposed by President Reagan.

Sen. Pete V. Domenici, Republican of New Mexico, chairman of the Senate Budget Committee, this week offered a different and somewhat less austere scheme, but it, too, calls for a drastic tightening of fiscal policy.

"If we follow the path I have outlined, we can effect a dramatic turnaround in the economy," Mr. Hollings promised when he presented his plan.

"Deficits will be eliminated; in-

terest rates will go down; and everyone can go back to work."

Well, perhaps not everyone. Miffed at the Hollings initiative, which Treasury Secretary Donald T. Regan called "ridiculous," the administration asked Data Resources Inc., to crank the details through its computer model of the economy.

The results showed that while budget deficits would be much

NEWS ANALYSIS

smaller, interest rates would not be all that much lower and unemployment, in 1983, would be a whopping 10.8 percent. At the same time, inflation would be less than a percentage point lower than in DRI's basic forecast.

While different analysts might quarrel with DRI's specific numbers, few would challenge the direction of the results: If other policies are unchanged, reducing a budget deficit will reduce the level of economic activity, they say.

To argue to the contrary would require standing modern economic history on its head. Raising taxes by \$1 billion, or reducing government spending by \$1 billion, means there is \$1 billion less in private hands to be spent or, in some part, saved. Unless private spending goes up by the same \$1 billion, fully offsetting the change in the federal budget, the total demand

for goods and services in the economy will fall.

The explicit assumption by Sen. Hollings seems to be that a reduced budget deficit will lead to lower interest rates, which in turn will stimulate private sector spending, particularly for houses and business investment. But no well-known model of the economy, either Keynesian or monetarist, would show such a fall in interest rates that private spending would go up by nearly as much as the budget deficit goes down.

Thus, predictably, the DRI computer model indicates that the Hollings proposal would mean essentially no recovery from the recession, or worse, for the next four years, if monetary policy is left unchanged.

"What people ought to be talking about is the need for a combined operation, a substantial reduction of the deficit and a somewhat easier monetary policy," Charles L. Schultz, President Carter's chief economic adviser, said.

The payoff from such a shift in the mix of policies would not necessarily be faster economic growth and a more rapid reduction in unemployment, but rather more investment by business and in housing and less consumption by individuals, Mr. Schultz said.

The Reagan administration has argued that the deficits it projects for 1983, 1984 and 1985, which

add up to more than \$246 billion, will not hurt business investment and that the depressed housing industry will lead this year's recovery. A surge in saving will allow financing of the deficits, more private sector investment and declining interest rates, the administration claims.

But since the Reagan budget and economic forecast was published this month, a wide range of private economists — Republican and Democratic, conservative and liberal — have questioned whether such a risky outcome is likely.

In particular, they generally believe there will be a clash between the administration's loose fiscal policy and the Federal Reserve's tight money policy. This clash, many think, will generate another bout of sky-high interest rates and about any recovery from the current recession within six months or so.

For instance, this week, Donald Maude, chief financial economist for Merrill Lynch, told a New York business conference that the "battle lines between an expansionary fiscal and a highly restrictive monetary policy" have been drawn. The recovery later this year will be "sub-par," he said.

This is the context in which Messrs. Hollings, Domenici and other members of Congress have been trying to come up with major changes in the Reagan budget. For political and economic reasons,



Ernest F. Hollings
...Sees "dramatic turnaround"

they want a smaller deficit — along with a somewhat different pattern for federal spending, including smaller increases for defense.

But almost all of the attention has been focused on the size of the deficit and its link to interest rates rather than on the equally important role of monetary policy.

To sort all this out, economist Rudy Penner of the American Enterprise Institute suggests that, to start, policy-makers should decide what rate of growth of nominal

(Continued on Page 9, Col. 4)

Japan's Lead in 256K Chips Forces Some U.S. Firms Out of the Race

By Andrew Pollack
New York Times Service

NEW YORK — Since the age of the transistor dawned at Bell Laboratories in 1947, the United States has dominated what is now the \$13-billion global semiconductor industry.

In a business where prowess and profits have been measured by the ability to squeeze more and more electronic circuitry into less and less space, companies like Texas Instruments, Intel and Motorola have raced to outdo one another, sometimes trumpeting each new advance well before it was ready for market.

The industry is now developing yet another promising product that will appear on the market in a year or two. Known in industry parlance as the 256K dynamic RAM (for random access memory), it is a silicon memory chip smaller than a postage stamp yet capable of storing all the words on a page of this newspaper.

But instead of boasting, some semiconductor industry executives are saying their companies might not compete in the new market. Even before the battle over the new product starts, some U.S. companies are conceding the market to the Japanese.

"I think we've already lost out in the 256K," said W. J. Sanders 3d, chairman and president of Advanced Micro Devices of Sunnyvale, Calif. "The Japanese have won the dynamic RAM market."

Last year, the world's semiconductor industry sold 8 million 64K RAMs, the immediate predecessor of the 256K RAM, and that number is expected to mushroom to more than 700 million by 1985, making the 64K RAM the first product to bring in more than \$1 billion in annual revenues. The 256K RAM, if past precedent is followed, will be an even bigger moneymaker.

But not all U.S. companies are giving up. Some, such as Motorola and National Semiconductor, and American Telephone & Telegraph Co. will produce the 256K.

There are also many other new products and opportunities in the industry and U.S. companies still account for two-thirds of the world market. The mere fact that semiconductor is the heart of the exploding computer and telecommunications industries almost assures growth and profits for the companies.

Nevertheless, there is a widespread feeling that the Japanese will dominate the dynamic RAM business in the next two decades.

Japan Finds Success Poses Problems

TOKYO — Success has its own problems. Thus, Japan's major semiconductor producers are trying to figure out how fast to push ahead with the next generation 256K RAM dynamic chip.

"If the Japanese companies go too aggressively into the 256K, the 64K market will collapse," said Hisamichi Sawa, director of Bache Hasey Stuart Shields in Japan.

Reports of plans by the industry's big three — Nippon Electric, Hitachi and Fujitsu — have appeared in the Japanese press saying that they will start producing up to 70,000 chips a month by late this year or in early 1983, and that new factories are being built specifically for the production of 256K RAMs.

In fact, the new production facilities are for what is called "very large-scale integration" — 64K RAMs and larger — but not specifically for 256K RAMs. Articles about production quantities and timeables are mostly speculative, say Japanese sources.

Even if the Japanese do not, analysts say, prices — and the industry's profits — will come under immense pressure.

U.S. companies are thinking of teaming up to fight the Japanese. Just recently, top executives of several semiconductor companies and of large computer companies met quietly in Orlando, Fla., at the invitation of Control Data Corp., to discuss forming a joint venture for research and development with up to \$100 million in annual funding.

Such dismay is in large part motivated by the stunning victory the Japanese have won in the market for the 64K RAM. The Japanese, led by Hitachi, Fujitsu and Nippon Electric Co., have captured 70 percent to 80 percent of the market. In the battle, prices have plunged so drastically that it is thought no company, American, European or Japanese, is making a profit on the 64K RAM.

Some small and medium-sized companies, such as Mr. Sanders' \$300 million AMD, will have to consider getting out of the market to concentrate on lower volume, more profitable products.

Large companies like Motorola, Texas Instruments and National Semiconductor are expected to slug it out for the 64K RAM, the 256K RAM and succeeding generations — such as the 1-million-bit RAM — even if they lose money at it.

Worldwide sales of American and European semiconductor companies in 1981 fell 8 percent to \$9.2 billion, from \$10.0 billion. Mostek, for instance, a unit of United Technologies, lost more than \$100 million in 1981, although it made a profit in 1980, according to industry sources.

The U.S. companies claim the Japanese success comes partly from the backing of their government, which had restricted American entry into the Japanese market and allowed the Japanese companies access to low-cost capital.

The industry is trying to get some action from Washington, where frustration over Japanese trade barriers is mounting. Already bills have been introduced in Congress calling for trade reciprocity.

In addition, the administration is pondering whether it might restrict imports of 64K RAMs on national security grounds, because of the strategic importance of having a strong semiconductor industry.

As recently as 1974, the U.S. semiconductor industry was unchallenged in the memory market. But the dynamic RAM, a high volume, standardized product, was the perfect target for the Japanese. It played to their strength — low cost manufacturing — and away from their relative weakness — innovation and the need to interact with customers.

U.S. companies' mistakes made it even easier for the Japanese. In the 16K RAM, the Japanese gathered a 40 percent market share because the American companies were caught short of capacity after the 1975 recession and because the Japanese produced chips with a smaller percentage of defects.

U.S. companies have neutralized those advantages but have still managed to trip themselves up in the 64K RAM. The Japanese designed relatively large and straightforward chips and came to market earlier. The U.S. companies tried to make their devices smaller and more intricate and got hung up in the manufacturing.

"We out-innovated ourselves," said a former semiconductor company executive who asked not to be named.

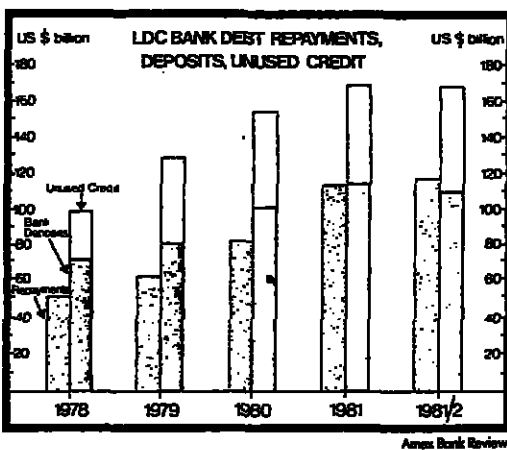
Developing Nations Are Showing Signs Of Liquidity Squeeze

By Carl Gewirtz
International Herald Tribune

PARIS — Rapidly declining liquidity of developing countries is fueling new worries about the financial health of the world's poorest nations.

The February issue of the Amex Bank Review notes that declining countries' reserves (foreign exchange, gold and special drawing rights) fell 15 percent last year, equal to the low levels last seen in 1975, reducing the cash in hand needed to finance the smooth flow of imports.

It is generally agreed that, as a great deal of trade is financed on a 90-day basis, reserves ought to total a minimum of three months' worth of imports. However, the review notes, "these reserves now cover 3.4



Amex Bank Review

In 1981 developing countries' maturing debt to banks overtook the level of their bank deposits.

call upon \$59 billion worth of unused credit commitments, which in many cases can be drawn down to meet liquidity needs.

"However, the outstanding unused credit has also been declining. In 1978, unused credit commitments covered more than three-quarters of bank repayment obligations during the year, whereas by mid-1981 this ratio had fallen to under half maturing bank debts."

Taking the 10 non-OPEC LDCs with the most debt to banks — Mexico, Brazil, Argentina, South Korea, the Philippines, Chile, Taiwan, Colombia, Thailand and Peru — as of June, 1981, debts maturing in the current 12 months to June, 1982 exceeded deposits and unused credit facilities combined for these 10 LDCs.

The bank warns that "in the face of international recession, low commodity prices and high world interest rates, rebuilding reserves will be difficult." The 10 biggest borrowers, however, "should still be able to add to reserves by borrowing," the bank states.

Bankers generally warn that borrowing this year will be more difficult and that borrowers will have to face up to paying more for their loans than the low margins over Libor accorded in recent years.

"Borrowers are also going to have to learn new negotiating techniques," says one senior loan officer. "Up to now, they have relied on the competition between

(Continued on Page 9, Col. 1)

Suzuki Pledges Action On Trade, Papers Say

From Agency Dispatches

TOKYO — Premier Zenko Suzuki pledged to take additional measures to ease mounting trade friction with the United States and said his Cabinet will meet Tuesday to discuss concrete actions, Japanese newspapers reported Sunday.

However, there was no indication as to what action may be taken.

Mr. Suzuki made the pledge Saturday after conferring with Masumasa Esaki, foreign minister, international trade and industry, who had just returned from leading a trade mission to Washington, where he met President Reagan and Secretary of Commerce Malcolm Baldrige.

He told Mr. Suzuki that the U.S. attitude toward Japan on the trade issue was "stern" and urged him to act promptly to cope with growing U.S. congressional moves for "reciprocity" legislation primarily aimed at Japan, according to a report in the newspaper Asahi Shimbun.

Mr. Baldrige had said in Washington Friday that "time is running out" for the Japanese to make its markets more open to American goods and reduce the growing trade deficit between the two nations.

Deficit Likely to Rise

He said he was not issuing an ultimatum to the Japanese to lift trade barriers to American goods. But he described the trade problem between the two nations as "very serious."

If the trade barriers were eliminated, he said, U.S. exporters could be doing as much as \$8 billion to \$15 billion more business at the end of five years.

The United States imported \$18 billion more in goods from Japan last year than it shipped there, and that deficit likely will rise to \$20 billion this year, government officials have said.

Mr. Baldrige said the Reagan administration would like to avoid retaliatory trade measures, but could be forced in that direction unless Japan opened its markets to American goods.

He described the measures Ja-

SYNDICATED LOANS

months of imports, compared to over four months of imports in 1980 and the peak of 4.7 months in 1978."

Mexico, for example, had reserves totaling the equivalent of 1.7 months of imports last year, down from 1.8 months a year earlier and 2.6 months in 1975. Brazil and South Korea both registered 2.9 months of reserves while the Philippines with a ratio of 3.1 months barely passed the minimum barrier.

"The countries in a worse liquidity position, 1981 compared to 1975, outnumber countries in a similar or better position by almost 2-to-1," the report says.

The bank also notes that the bank debt of the so-called less developed countries last year exceeded their deposits with banks for the first time in the past five years.

Total LDC bank debt at June 1981 is put at \$257.4 billion, of which \$117.8 billion falls due by June 1982. However, the mid-year level of deposits totaled \$109.6 billion. In 1978, by contrast, deposits of \$71 billion were almost half as much again as debts totaling \$50 billion maturing during that year.

"This does not mean that there is a severe liquidity crisis as yet," the bank states, "since LDCs can also

New Issues Swell as Rates Decline

By Carl Gewirtz
International Herald Tribune

PARIS — The Eurobond market came alive last week, with some \$1.2 billion of new issues launched in the wake of a near \$3-billion decline in the U.S. money supply the week before and a continual easing in the cost of overnight money.

Issuers did well to move as fast as they did. By the end of the week conditions had changed.

By midweek, the cost of overnight funds started moving up

meaning \$75 million was sold last week.

● Canada's \$150-million, five-year paper offered at 99% bearing a coupon of 15 1/2 percent. The issue is guaranteed by lead manager Morgan Guaranty Ltd. as a stop-gap until the Canadian parliament approves the government guarantee, expected no later than April.

● The World Bank's \$250-million, six-year bonds bearing a coupon of 15 1/2 percent but offered at 99 1/2 to yield 15.46 percent.

● Citicorp's \$125 million (increased from the initially indicated \$100 million) of three-year notes extendable to 15 years. A new coupon will be set every three years and at each anniversary the issuer can decide to call the issue or investors can decide to request redemption. The initial terms were a coupon of 15 1/2 percent and an issue price of par.

● Burroughs Corp.'s \$50 million of six-year bonds, offered with an indicated coupon of 15 1/2 percent. The final terms and issue price will be set this week.

Three issues competed for the title of least well received. These were:

● The European Investment Bank's \$150 million of seven-year bonds offered at par bearing a coupon of 15 1/2 percent. The terms are considered a touch too stingy. In addition, bankers remark that it is easy to overlook EIB paper when there are so many new issues to choose from. All holders of this paper are assured of an average life of five years as redemption will be made "serially" — meaning a portion of each security will be repaid at the end of the fifth year.

● France's Caisse Nationale des Autoroutes, seeking \$75 million and offering a coupon of 15 1/2 percent with pricing at par. The rub here is the long 15-year maturity, despite the average life of 10 1/2 years which will be achieved through a sinking fund starting at the end of the fifth year.

● Hiram Walker's \$75 million of seven-year bonds offered at par bearing a coupon of 16 percent. It traded on a when-issued basis of 98 and bankers, who like the credit, had no easy explanation for the dull reception other than to note that "sin never sells well." Walker is a leading Canadian distiller.

Launched on Friday, and there-

CURRENCY RATES

Interbank exchange rates for Feb. 26, 1982, excluding bank service charges.

	US \$	DM	FF	Y	Sw	Sc	DK	N
Amsterdam	2.4775	4.785	199.77	6.38	0.361	—	5.981	136.25
Bombay	0.27	79.75	18.55	7.58	3.418	—	22.72	5.485
Frankfurt	2.3645	4.52	192.71	6.31	0.361	—	5.853	135.00
London	1.2228	2.424	100.00	3.76	0.200	—	3.448	142.00
Paris	1.2810	2.5438	103.76	3.83	0.200	—	3.526	144.00
Stockholm	—	1.8775	61.84	0.161	0.071	—	0.028	0.50
Switzerland	4.0795	11.254	284.91	10.365	—	—	23.81	211.00
Tokyo	1.693	3.485	73.25	3.14	0.171	—	12.818	22.41
1 ECU	1.877	0.894	24.22	0.413	0.207	—	44.474	1.922
1 SDR	1.1249	0.228	2.488	0.489	0.244	—	9.224	2.129

Source: Reuters (1982)

(a) Commercial (b) Financial (c) Amounts needed to buy one pound. (d) Units of 100. (e) Units of 1,000.

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Kleinwort, Benson Limited
The Nikko Securities Co., (Europe) Ltd.
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Banque de Neufville, Schlumberger, Mallet	Banque de Paris et des Pays-Bas	Banque Worms	Barings Brothers & Co. Limited
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Creditanstalt-Bankverein	Daifwa Europe Limited	Deutsche Girozentrale	Deutsche Genossenschaftsbank Limited
Dillon, Read Overseas Corporation	Effectenbank-Warburg	Europäische Bank	European Banking Company Limited
Robert Fleming & Co. Limited	Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft		
Goldman Sachs International Corp.	Gulf Finance Company Limited	Hambros Bank Limited	Jardine Fleming (Securities) Ltd.
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Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)	Kuwait International Finance Company SAK (KIFCO)		
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S. G. Warburg & Co. Ltd.	Wood Gundy Limited	Yamaichi International (Europe) Limited	

International Bond Prices—Week of Feb. 25

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Amst Security										Amst Security										Amst Security									
(Continued from Page 6)																													
Amst	Security	%	Mat	Yield	Price	Yield	Price	Yield	Price	Amst	Security	%	Mat	Yield	Price	Yield	Price	Yield	Price	Amst	Security	%	Mat	Yield	Price	Yield	Price	Yield	Price
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Chicago Exchange Options

For the Week Ending Feb. 26, 1982

Option & price										Option & price										Option & price									
Option	Price	Call	Put	Call	Put	Call	Put	Call	Put	Option	Price	Call	Put	Call	Put	Call	Put	Call	Put	Option	Price	Call	Put	Call	Put	Call	Put	Call	Put

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Developing Nations in Cash Pinch

(Continued from Page 7)

banks to squeeze out the best possible conditions."

But that competition is fading as banks shy away from expanding their exposure.

Currently, Mexico's state oil agency Pemex is tapping the international market for \$2 billion and managers report the operation is a tremendous success despite the withdrawal of Mideast banks. Interest on the four-year loan, renewable for four years at the option of lenders, is set at 1/2 point over the London interbank rate.

Because the margin is the highest seen on such high-grade Mexican paper since 1979, banks have clamored to get into the deal and the lead management group, which started with 20 banks each underwriting \$100 million, now consists of 29 banks and likely will rise to 30. Managers insist that the increased participation will not result in a larger loan to Pemex but rather will be used to reduce the amount each bank is asked to underwrite.

The managers claim that the reduction in the underwriting commitment (which results in smaller commissions for each participant) irked the Arabs and resulted in their pullout. But Arab Banking Corp. says it was not consulted on the strategy decision to widen the management group rather than inviting other banks into a second-tier co-manager status.

Another operation that has generated some heat is a \$175-million short-term facility for Pakistan. Originally seeking a \$350-million loan, Pakistan changed its mind midway during the negotiations, bankers report, and sought terms on a smaller loan. Citibank pulled out, arguing that the terms Pakistan was insisting on were unjustifiably low. Others in the syndicate say that Citibank was piqued be-

cause it was not asked to bid on the smaller loan.

In the end, Bank of America, Chase, Morgan and Gulf International Bank offered to lend \$75 million for one year at half a point over Libor, \$50 million for two years at 3/4 point over Libor and a final \$50 million for three years at 1 point over Libor.

The Buenos Aires electricity utility, Segre, is reported to have awarded the mandate for its \$200 million loan to a group of banks headed by Arab Banking Corp., Bank of Tokyo, Credit Commercial de France, Gulf International Bank and National Westminster. Interest will be set at 1 1/2 points over Libor for the first four years and 1 3/4 for the final four. Lenders using the prime rate as a base will be paid 1/2 point less on both portions. The only difference in terms with those set recently by Argentina's petroleum company YPF are the front-end fees and legal costs, which are reported to be slightly more generous to the banks.

From Brazil, CESP, the São Paulo electric utility, is seeking \$250 million for eight years, offering 2 1/2 points over Libor or 1 1/2 point over the prime rate. The notable element in this transaction is the widening quarter-point gap between Libor and prime margins. The usual standard was an eighth of a point difference. But borrowers argue that as the prime rate rises, the gap should be more of a gap.

Next in line is Electrobras, which is looking for \$300 million for eight years at terms identical to CESP's. However, if managers are willing to restrict the amount of the loan tied to the prime rate to no more than 40-to-50 percent of the total, Electrobras has indicated

a willingness to pay a 2-point margin over prime.

Meanwhile, Reuters reports from Rio de Janeiro that Brazil has covered \$5 billion of the \$13.6 billion it needs in foreign loans in 1982.

Banco do Chile is raising \$50 million for seven years through a note issuance facility. Banks will underwrite the loan and receive three-, six- or 12-month notes which they are free to market. Interest on the notes will be set at a quarter-point over Libor. Managers earn a 1/2 percent underwriting fee as well as a front-end participation fee of 1/2 percent.

Venezuela's agricultural development bank Bandargo is raising \$200 million for two years and renewable at the option of lenders for a further three years. Interest will be set at 3/4 point over Libor for the first three years and 1/2 over if renewed. CVF, meanwhile, is seeking \$100 million for one year, offering a margin of 7/16 point over the one-year Libor that is further sweetened by 0.175 percent for banks taking a lead position.

In Europe, Denmark's three-part finance package is nearing the \$1-billion mark, as expected, with \$500-million committed so far. The \$500-million portion based over the prime rate has been increased to \$600 million and the \$200-million based over Libor has been raised to \$250 million. Already completed is a \$100 million floating rate note.

In the Far East, Philippine Long Distance Telephone Co. is raising a \$110-million, 12 1/2 year loan which is being syndicated for 10 years. Interest is set at one point over Libor for the first seven years and 1 1/4 for the remainder with a half-percent commitment fee. The National Development Corp. is expected to come to market for up to \$250 million.

In Australia, CSR is seeking \$950 million to repay \$600 million in bridging loans taken out last September to finance the takeover of Delhi Oil and also to meet future capital needs of Delhi for its Cooper Basin gas and liquids project in South Australia.

The 12-year loan is broken into two parts: a \$100-million standby loan and an \$850-million non-recourse project loan. Interest will be set at 3/4 point over Libor for the first four years and 1 point thereafter. When conditions on exploration have met certain conditions and the non-recourse clause of the loan becomes operable, interest on the project loan will rise to 1/2 point over Libor through 1991 and 0.9 point over Libor thereafter. CSR will pay a commitment fee of 1/4 percent and a front-end fee of 1/4 percent.

British Caledonian Airways is seeking \$165 million for 10 years to finance the purchase of three Airbus. The loan will not be drawn until delivery, expected to start in February, 1984, and until then BC will pay a commitment fee. However, managers Bank of America and National Westminster were unwilling to state the size of either the fee or the margin over Libor to be charged when the loan is drawn.

Experts Question Alternative Plans For U.S. Budget

(Continued from Page 7)

gross national product — that is, the rate of increase in real output plus inflation — they want. The Reagan administration projects annual increases in nominal GNP averaging about 10 percent a year for the next five years, a pace that Mr. Penner and several of his AEI colleagues regard as inflationary.

Federal Reserve policy is aimed at producing only an 8 1/2 percent to 9 percent rise in nominal GNP this year and declining year by year after that.

One key question in choosing a target rate of growth for nominal GNP is how much pressure one wants to keep on inflation. The lower nominal GNP growth, the less rapid will be the recovery from recession with unemployment staying higher, longer.

So far, none of the proposals emerging on Capitol Hill to tame the budget tiger is very explicit about some basic questions: What rate of economic growth do Messrs. Hollings, Domenici and other alternative budget authors have in mind? How much of an easing of monetary policy, if any, is needed to offset the restraining effects of reducing prospective federal budget deficits?

Aiming a bit lower for nominal GNP growth while having some what faster money growth would, in present circumstances, probably still leave interest rates at very high levels relative to inflation. But it might also make less likely a head-on collision between monetary and fiscal policy about a year from now.

Final Approval of Ford Pact Appears Certain

By Donald Wourar
Los Angeles Times Service

DETROIT — Worker approval of a historic labor agreement between Ford Motor and the United Auto Workers appeared a virtual certainty over the weekend, setting the stage for a likely resumption of talks at General Motors Corp.

The vote was 75 percent in favor of the agreement by late Friday, when 57 of the 94 Ford union locals had finished balloting. Union leaders were confident the pact would win final approval Sunday and take effect Monday.

The settlement, marking the first time the powerful UAW has retreated at Ford and the first time an auto company has promised a lifetime paycheck, is expected to be worth \$1.1 billion to Ford over the next 30 months.

Tantalized by his competitor's dollar savings, GM chairman Roger E. Smith made a direct appeal for support on labor-cost relief in an unusual letter that began reaching the homes of 600,000 hourly and salaried employees this weekend.

The three-and-a-half-page letter purports to spell out "the facts of life in our business today" and reviews GM's \$19.80-an-hour labor costs in contrast to those of Japanese competitors and of other U.S. companies from whom the company is increasingly buying components.

If enough GM workers appear to support a resumption of the negotiations that collapsed Jan. 28, the two sides could be bargaining again within a few weeks.

Ratification by Ford's 171,000 UAW-represented workers began last Sunday after the tentative

agreement Feb. 13. All week, results of balloting from local union halls around the country indicated lopsided approval. The voting was to conclude by 6 p.m. Sunday.

One potential trouble spot, Ford's 20,000-member local 600 at the huge Rouge industrial complex in Dearborn, Mich., recorded a 64-percent yes vote by late Friday with voting at 12 of 14 units completed. Some of the most active union opposition to granting Ford concessions was centered at the Rouge local.

The voter turnout has been low, which a union official in Detroit speculated was because the early results have been so lopsided. Many who would have voted in favor are not bothering to vote at all, he said.

The agreement freezes the average \$9.90-an-hour base wage of Ford workers for 30 months, defers cost-of-living increases for nine months, and eliminates what would have been 24 paid days off between now and the September, 1984 expiration date of the contract.

In return, the union won a guaranteed income for tens of thousands of senior workers if they lose their jobs, a conditional 24-month moratorium on plant closings, profit sharing, improved layoff and pension benefits and other inducements.

Similar talks failed at GM in late January. The collapse stemmed from widespread opposition among workers, who noted that the company earned a profit last year in contrast to Ford's \$1 billion deficit.

Since then, GM has made good on a promise to close plants that it

says are uncompetitive with outside facilities. Of eight GM plants whose closings have been announced since the failure of the UAW negotiations, five — carrying about 11,000 workers — are being padlocked because of high labor costs. Some assembly plants have been shut down because of poor car sales, and GM has indicated the plants would reopen if sales improve.

The plant closings and the details of the Ford agreement, which contains fewer worker concessions than many expected, have apparently changed the thinking of many GM workers on the question of returning to the bargaining table. A number of rank-and-file members of the union's national bargaining committee say their members are willing to talk again with GM.

"It's changed now," Tony Fernandez, president of a Linden, N.J., local, said Saturday. He said he expects GM and the union will be bargaining again no later than April 1.

Mr. Fernandez remains opposed

to any concessions to GM, but had scheduled a local membership meeting for Sunday to "give them the facts of life, that we may have to go back to the bargaining table."

It is no secret that union boss Douglas Fraser would rather bargain now than in September, when negotiations would normally resume.

2 in California Charged In Computer-Chip Theft

United Press International

SAN JOSE, Calif. — Two men have been charged with grand theft and burglary in the theft of \$3.2 million worth of computer chips from Monolithic Memories Inc. in Sunnyvale, Calif., last November.

Abel Urbina, 25, and Ronald Washington, 30, who was a security guard at the company, were charged Friday. The \$29,000 chips have not been recovered, and authorities said some may have already been sold and installed in computers.

New Eurobond Issues Swell As Interest Rates Decline

(Continued from Page 7)

knowledgeed not to be the going market rate. But if interest rates decline, as some analysts believe they will, such relatively high coupon paper could become quite attractive. In case rates do not decline, however, investors need not fear being locked into this issue, which would then not perform well, as they could opt for the floater which would be expected not to trade below 98.

The floater assures that at every six months the issue will bear a coupon at the going market level. However, as most floaters offer a coupon slightly above Libor, the Swedish paper would be expected to trade at a modest discount. Nevertheless, the issue still offers investors who are willing to take a view on the direction of interest rates a floor level at which they could bail out if desired.

At the same time, Swedish Export is offering \$200 million of 12-year zero coupon bonds offered at a price of \$197 for each \$1,000 certificate. This works out to a guaranteed capital gain of 407.6 percent at year 12 or, looked at another way, an annual yield equivalent to 14 1/2 percent. It is believed that a portion of this issue has been pre-placed with Japanese investors.

The other issues announced last week were marketed smoothly, but generated no particular enthusiasm.

• Australian Industry Development Corp.'s \$50 million of five-year paper bearing a coupon of 15 1/2 percent. Only \$25 million is being offered initially and the remainder can be tapped into the market over the next four years — a feature the managers have not brought to the market's attention. Bankers said they were irked by the commission structure totaling 1 1/2 percent compared to the more traditional 1 1/4 percent. Most of the reduction falls on the selling group, which is allowed a skimpy 1/4 percent (down from a more normal 1 1/4 percent). Managers collect a fee of 1/4 percent and 1/4 percent is given to underwriters.

• Nova Scotia's \$75 million of seven-year bonds, offered at par bearing a coupon of 15 1/2 percent.

In the floating-rate sector, Dome Petroleum is offering \$50 million of seven-year notes with interest set at a quarter-point over Libor. Each note bears two warrants, exercisable over the next 12 months, to buy seven-year fixed-rate paper bearing a coupon of 16 1/4 percent.

"Too Exotic"

In the Deutsche mark sector, issues for Telefonica de Spain (100 million DM of 10-year bonds offered with a coupon of 10 1/2 percent) and Mexico's Nacional Financiera (150 million DM of eight-year paper offered with a coupon of 11 percent) were regarded as too exotic and were trading on a when-issued basis at 1 1/4-point discounts.

Bankers expressed some surprise at the terms on the 100 million

DM private placement for Electricité de France. The 10-year bullet is being offered at par bearing a coupon of 9 1/2 percent. The managers argue that the terms reflect the relative lack of marketability for private placements. But others argued that the terms were too generous. The Common Market's recent 12-year issue of 200 million DM bearing a coupon of 9 1/4 percent ended the week at 100 1/2, up from an issue price of 99.

The lack of appetite for Japanese convertibles was made clear by the terms set on the issue for Nippon Sheet Glass. Lead manager Deutsche Bank, after getting Nippon Sheet Glass to agree to a coupon of 7 percent, a one-point jump over recent issues, sold the paper with a guarantee that if held to maturity the bonds would be redeemed at a premium of 3 percent, lifting the yield for those who do not convert into common stock to 7.6 percent.

Consolidated Trading Of AMEX Listings

Week Ended Feb. 24, 1982

Int'l inst. lg. term US\$...	15.70 %
Ind. long term, US\$...	15.37 %
Ind. medium term, US\$...	15.95 %
Can. \$ medium term...	15.95 %
French fr. medium term...	16.28 %
Int'l inst. lg. term yen...	8.29 %
ECU medium term...	13.89 %
EUA long term...	12.16 %
Int'l inst. lg. term LF...	12.65 %
FL long term...	12.62 %

Marked by the Luxembourg Stock Exchange

Market Turnover

Week Ended Feb. 26 (Millions of U.S. Dollars)

Codel	6,216.1	5,376.9	839.2
Eurocd.	12,006.	11,447.	558.8

Sandis Increase Imports, Exports

United Press International

JIDDA — Saudi Arabia has reported major increases in its 1981 imports and exports and said Japan topped its list of business partners.

The Ministry of Finance and National Economy said Saturday the country's total 1981 exports reached a record \$117.5 billion, an increase of \$12.2 billion over 1980.

It said Saudi Arabia imported \$34.5 billion worth of goods, with Japan topping the list at \$9.3 billion. The United States came second, with \$7.25 billion.

2nd Dry Well Reported By Exxon in N. Atlantic

United Press International

NEW YORK — Exxon, the first company to drill a well on the Georges Bank off the New England shore, has hit a second dry hole in the area.

Exxon had its first dry hole on the Georges Bank in the North Atlantic after drilling a wildcat well to 14,118 feet in November.

Gold Options (prices in \$/oz.)

Price	May	Aug.
370	17.50-18.50	—
380	18.50-19.50	21.00-24.00
400	20.50-22.50	24.00-27.00
420	22.50-24.50	27.00-30.00
440	24.50-26.50	30.00-33.00

Quoted 3:25-3:30 P.M.

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- All interest paid is net and without deductions (taxes, etc.) at source.
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- Deposits are unconditionally guaranteed.

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DOLLAR (Can.) 17 %

PESETA (Spain) 15.25 %

DOLLAR (U.S.) 17 %

STERLING (£) 15.75 %

FRANC (French) 9.75 %

MARK (Deutsch) 12.75 %


FRANC (Swiss) 9.5 %

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February 24, 1982

This announcement appears as a matter of record only



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Dfls. 100,000,000
11 1/2 per cent. Bonds 1982 due 1988/1992
Annual coupons March 15

Algemene Bank Nederland N.V.
Amsterdam-Rotterdam Bank N.V.

Bank Mees & Hope NV
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Nederlandsche Middenstandsbank N.V.
Pierson, Holding & Pierson N.V.

Credit Suisse First Boston Limited
Daiva Europe N.V.
Deutsche Bank Aktiengesellschaft
Kuwait Investment Company (S.A.K.)
Kreditbank S.A. Luxembourg
Nomura International Limited
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Union Bank of Switzerland (Securities) Limited

February, 1982

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Kleinwort, Benson Limited
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Union Bank of Switzerland (Securities) Limited

College Basketball Scores

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By Bill Christine

That surgery — three bypasses — took Barrera away from the only business he has known since growing up around Oriental Park in his native Havana. A member of the Cuban Olympic team and of four Epcot Awards and the game's leading money-winning trainer from 1978 through 1980, Barrera did not go out of business during his recuperation because his son Larry took charge of his horses.

But in 1981 Barrera's name was

And this year, although a couple of stakes do not a paladin make, the potential exists in it's The One, a King Kong of a thoroughbred who will try to prove that Sunday Henry is fallible a week from John Day in the 45th renewal of the Santa Anita Handicap here.

"I Like My Chances"

Sitting in his stable office after it's The One had returned from a light gallop, Barrera said: "He is in tip-top shape. John Henry is never easy to beat, but I believe I can beat him by some horses [with Gougeon]."

And this year, although a couple of stakes do not a paladin make, the potential exists in it's The One, a King Kong of a thoroughbred who will try to prove that Sunday Henry is fallible a week from John Day in the 45th renewal of the Santa Anita Handicap here.

"The pace in California is not as strong as it is in New York, where the six-day week is a week. This is a seven-day job no matter which way you are, but at least you have extra afternoon a week off here."

During one lull, Barrera reflected on Affirmed. "The most intelligent horse I ever had," he said, "saw him last July at stud in Kentucky and he recognized me right off. But in 1981, I was in the hospital."

Barrera has now grandson of

[illegible]

For the Week Ending Feb. 26, 1982

<u>& price</u>	<u>Colls</u>	<u>Puts</u>	<u>Option & price</u>	<u>Colls</u>	<u>Puts</u>	<u>Option & price</u>	<u>Colls</u>
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Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and

selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

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Cheeseborough, Hansen Set Marks at N.Y. Meet

United Press International
NEW YORK — Chandra Cheeseborough broke her own world record in the women's 200-meter dash, Joan Hansen set a new world mark and newsmen Veronica Bell set a surprising U.S. record in the women's 100-meter dash Friday to highlight action at the U.S. Indoor Track and Field Championships, which lost many of its top stars at the last minute.

Even though Mary Decker Tabb as injured an unable to compete, world record was still established in a thrilling women's two-mile race.

Hansen, Brenda Webb and Margaret Groves waged a tight duel and broke the old record of 9:38.1 at last year by Francine Lammie.

Hansen won the race in 9:37.03 and Webb was second in 9:37.64, just nipping Groves in 9:37.65. Lammie finished fourth in 9:44.85.

"I went out fast, but then I let the others do all the work," Hansen said after running the first two miles of her career.

Chesborough, who set a world record of 23.27 in last year's meet, improved on that mark in the preliminary heats Friday with a time of 23.25. She later won the final of the event in 23.46.

Bell, a virtual unknown who finished sixth in last year's championships, shattered the nine-year-old U.S. record with a time of 21 feet, 11 inches. Kathy McMillan's 21-24 took second place.

Martha Watson had held the old record at 21-44.

Surprise
"I've been jumping over 21 inches but I'm just coming back from the flu," said Bell. "I thought I'd be in the top three and expected to be over 21 feet, but the record came as a surprise to me."

In other events, Stephanie Hightower edged Candy Young in the women's 60-yard hurdles, Evelyn Ashford nipped Jeannette Bolden in the women's 60-yard dash.

Young took the men's triple jump in 55-11, and Don Paige took the men's 1,000 in 2:05.81.

Jim Spivey captured the men's mile in 3:57.04, Dwight Stones won the men's high jump at 7-4 1/2, Billy Olson won the pole vault at 8-6 1/2, Coleman Riekena won the women's high jump at 6-3 1/2, Fred Lortie won the men's 600 in 0:59.50 and Cathie Twomey won the women's mile in 4:32.92.

Connor had held the indoor world record in the triple jump at 6-9 1/2 until Willie Banks broke it at San Diego with a leap of 57-1 1/2.

Banks finished third Friday, jumping only 54-1 1/2.

"I'm surprised I beat Willie Banks," Connor said. "He's really in form."

Sharing's no Fun
Hightower and Young had finished in two world record setting heats this year, and they were almost as inseparable this time. They were both timed in 7:38, just .01 off the last record they set, and Hightower was awarded the title for her lead at the tape.

"I was going for a world record," said the winner, "because you don't like to share anything."

A week ago, Ashford recorded a controversial world record of 6.48, when three of the six starters thought it was a false start and did not race. One of those who stopped was Bolden, who owned the former record of 6.60.

In Friday's race, Ashford left no doubt as she bolted from the start and sped to victory in 6.54, with Bolden second in 6.59.

In third place was Cheeseborough in 6.62.

Several of the meet's top attractions were last minute scratches. World record holder Renaldo Nehemiah withdrew from the men's 60-yard hurdles, citing fatigue from a television competition in Florida, a reason also given for the pullout of miler Sidney Marce.

Nehemiah's chief rival, Greg Foster, also pulled out because of a recurring leg injury. Brown was left to win when world record holder Stanley Boyd continued to suffer from a back and hamstring ailment and pulled out of the 60-yard dash and Carl Lewis withdrew from the same race to concentrate solely on the long jump.

Despite what he called a "difficult" runway, Lewis won that event and barely missed his world record of 28-1, which he set last month by leaping 28-3/4. He is the only man to have broken 28 feet indoors.

Spanish Sets 600-Meter Mark
MADRID (AP) — Coloman Trabado of Spain set a world indoor best for 600 meters of 1 minute, 17.2 seconds Saturday in a meet here. The previous mark, 1:17.3, was set by Milovan Savic of Yugoslavia Jan. 25, 1976.

Pole Vault Record
KANSAS CITY, Mo. (AP) — Billy Olson, on his third attempt, cleared 18 feet, 10 inches Saturday night and broke his own world indoor record in the pole vault during the NAAIA Indoor Track and Field Championships.

It marked the fourth time this year the bespectacled star broke the world indoor pole vault record. "It wasn't really that good a jump," he said moments after clearing 18-10.

"I was a little too far away from the bar, and I touched the bar a little bit going over. But when I saw it wasn't falling, man, did that feel good."

Olson then failed at two attempts to clear 19 feet and chose not to make a third attempt due to exhaustion.

"I'm so tired I can't stand up," he said. "And my hamstring is real sore and I didn't want to take a chance on getting it hurt."



Joan Hansen couldn't quite believe it when her record-setting two-mile time of 9:37.03 was posted Friday night in New York.

Finn, 19, Wins Jump at Close of Nordic Games

From Agency Dispatches

OSLO — Matti Nykanen, a Finnish teenager, won the controversial 90-meter jump Sunday, the final day of the World Nordic Ski Championships.

Nykanen, 18, showed his talent when he exploded in a breathtaking first-round jump of 108.5 meters (355 feet, 9 inches). His second jump, of 102.5 meters, was enough for the title with a total of 257.9 points.

Olav Hansson — maintaining Norway's streak of winning at least one medal in each of the 13 events here — was silver medalist with 255.1 points, and Armin Kogler of Austria was third with 244.7.

On Saturday, Thomas Wassberg powered his way through a light snow and sluggish course to win the 50-kilometer race.

Wassberg won Sweden's second gold medal of the competition in 2:24:47, 32 minutes and 0.9 seconds. Yuri Burakov of the Soviet Union was second in 2:32:34.7, with Lars Erik Erikson of Norway third in 2:32:49.9.

Wassberg, the gold medalist in the 15-kilometer race at the 1980 Olympics, had been 16th in the 30-kilometer a week ago and 18th in the 50-kilometer Tuesday. But he seemed to gain strength as he muddled his way over the tortuous, hilly course.

Sunday's jump competition took place amid thick fog and falling snow. The jury decided, after an hourlong debate, to go ahead — but the jumpers did not approve.

"This event is a pure gamble," said Norwegian Per Bergerud, who finished 11th. "A joke," said team-mate Johan Sævi.

The jury did what they could to improve things, sending up an airplane to pour chemicals into the fog, but to little effect.

"I find it unbelievable I managed to win," said Nykanen, the reigning junior world champion. "I was nervous when the second round started and didn't feel safe. My advantage over Hansson was only one tenth of a point."

But Nykanen, who gave his country its only gold of the games, controlled his nerves superbly. "I tried to think this was just one of those events at home," he said. "But it was difficult."

Norway won seven gold medals in the 10-day championships, including one shared with the Soviet Union. The Soviet Union and Sweden each won two, while Finland, Austria and East Germany shared the remaining titles.

Jury Reversals
OSLO (AP) — The International Ski Federation (FIS) Council Saturday night reversed two previous decisions by juries at the Nordic championships here.

Citing ambiguous competition rules and inadequate equipment, the council decided to award Finland and Norway a joint bronze medal in the Nordic combined team event and to award Finland and East Germany a joint bronze in the men's 40-kilometer relay.

The jury had awarded Finland a silver and Norway a bronze medal after a dead-heat finish between the two in the 30-kilometer relay that concluded the Nordic combined last Wednesday. In the men's 40-kilometer relay Thursday, the jury had awarded Norway and the Soviet Union joint gold, but gave the Finnish team the bronze after a similar photo finish with East Germany.

The council, which constitutes the court of appeal, said that since the juries had based their decisions on video tapes and not on photographs from an electronic finish camera, the teams had to be judged equal, according to FIS rules.

Stenmark Hurt
From Agency Dispatches
STOCKHOLM — Ingemar Stenmark injured his shoulder in a fall during an international parallel slalom ski meet here Saturday.

Following X-rays at a local hospital, a spokesman said the Swedish slalom world champion and triple World Cup winner had sustained only "a bruised shoulder" and "will need a week's rest."

The race, not included in the World Cup series, was won by Lars-Göran Larsson of Sweden.

Men's 50-Kilometer Race
1. Thomas Wassberg, Sweden, 2:24:47.32.
2. Yuri Burakov, Soviet Union, 2:32:34.7.
3. Lars Erik Erikson, Norway, 2:32:49.9.

Men's 30-Kilometer Race
1. Thomas Wassberg, Sweden, 2:24:47.32.
2. Yuri Burakov, Soviet Union, 2:32:34.7.
3. Lars Erik Erikson, Norway, 2:32:49.9.

Men's 15-Kilometer Race
1. Thomas Wassberg, Sweden, 2:24:47.32.
2. Yuri Burakov, Soviet Union, 2:32:34.7.
3. Lars Erik Erikson, Norway, 2:32:49.9.

Men's 10-Kilometer Race
1. Thomas Wassberg, Sweden, 2:24:47.32.
2. Yuri Burakov, Soviet Union, 2:32:34.7.
3. Lars Erik Erikson, Norway, 2:32:49.9.

Müller Wins Cup Race; Podborski Near Title

United Press International

WHISTLER, B.C. — Peter Müller of Switzerland won his first World Cup downhill in two years Saturday to pace a Swiss and Canadian charge that swept the top seven places and moved Canadian Steve Podborski to the verge of the season championship.

Podborski placed second, just ahead of teammate Dave Irwin, who took third for his best result since winning a cup race at Schladming, Austria seven years ago.

Podborski's second meant that only Austrian Hansi Weirather has even a mathematical chance of taking the championship, which has never gone to a North American.

In Aspen, Colo., meanwhile, Maria Eppler of West Germany won a giant slalom, the only World Cup race for women in the United States this year.

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United Press International

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Podborski placed second, just ahead of teammate Dave Irwin, who took third for his best result since winning a cup race at Schladming, Austria seven years ago.

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